A Study of the Impact of Enterprise Risk Management on Organisational Performance at City Power

by

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MINI DISSERTATION

Submitted in partial fulfilment of the requirements for the degree

MASTER OF BUSINESS ADMINISTRATION

At the

REGENESYS BUSINESS SCHOOL

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24 April 2023

Abstract

Every organisation exists to meet its objectives. In the process of attempting to attain those objectives, the environment within which it operates is laced with risks that can potentially lead to the objectives not being achieved.

One of the many definitions of risk in business is the “future uncertainty about deviation from expected earnings or expected outcome”.

Enterprise Risk Management (ERM) in business includes organisations' methods and processes to manage risks and seize opportunities to achieve their objectives. ERM provides a framework for risk management, which typically involves identifying particular events or circumstances relevant to the organisation's objectives (threats and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring the process. By identifying and proactively addressing risks and opportunities, businesses protect and create value for their stakeholders, including owners, employees, customers, regulators, and the society. It is stated that successful organisational performance is based on sound ERM plans and an effective corporate governance structure.

This study found that City Power's organisational performance generally increased with higher implementation and application of ERM mitigation plans.

Declaration of Originality

I, Nqobani Mzizi, declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the Master of Business Administration degree at Regenesys Business School, Sandton, South Africa. It has not been submitted before for any degree or examination at any other university or educational institution.

Signature: _____

Date: 24 April 2023

Acknowledgements

“The steps of a righteous man are ordered by the Lord”.

I want to recognize the presence of Lord Jehovah throughout my entire journey, even during the darkest moments when I felt hopeless. At the right time, you sent me destiny helpers to guide me through the challenging times when all seemed lost. As my personal mantra reminds me, "delay is not denial," this dissertation is a testament to that truth in my life.

To my departed loving parents, Themba Lloyd and Makhosazane Beauty Mzizi, this one is for you. I hope that they are proud of me.

I would like to express my appreciation to my supervisor, Ms. Sheela Samson, for her patience, perseverance, and supportive encouragement. Even when we did not speak much, knowing that she was there was motivating enough. Thank you, and namaste.

I want to express my gratitude to my employer, City Power (SOC) Ltd, for providing me with the opportunity to advance my education. I am deeply appreciative of this gesture and anticipate that the knowledge I gained from this qualification will also benefit both the organisation as much as it will benefit me. Furthermore, I anticipate that the results of this study will be beneficial to the organization by offering valuable insights and practical applications.

Finally yet importantly, I want to express my thanks to all those who provided assistance, encouragement, and support during the journey. *Ngiyabonga kakhulu.* Thank you ever so much.

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Glossary of Acronyms

AA	Affirmative Action
ABP	Annual Business Plan
AFS	Annual Financial Statements
AIR	Annual Integrated Report
AG	Auditor General
AGSA	Auditor General of South Africa
BBBEE	Broad-Based Black Economic Empowerment
BPM	Business Performance Manager
CAPEX	Capital Expenditure
COJ	City of Johannesburg
CP	City Power
EE	Employment Equity
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ESP	Expanded Social Package
EXCO	Executive Committee
FBE	Free Basic Electricity
GE	Gender Equity
GIT	Graduate in Training
HV	High Voltage
I.A.	Internal Audit
IDP	Integrated Development Plan
ISO	International Organisation for Standardization
IT	Information Technology
KPI	Key Performance Indicator
KPA	Key Performance Areas
LPU	Large Power users
MFMA	Municipal Finance Management Act
MWh	Mega Watt Hours
PFMA	Public Finance Management Act
PWD	People with Disabilities
QOS	Quality of Supply
R&M	Repairs and Maintenance

ROI	Return on Investment
SABS	South African Bureau of Standards
SLS	Service Level Standards
SME	Small and Medium Enterprises
SMME	Small, Micro and Medium Enterprises
UIFWE	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
VUCA	Volatile, Uncertain, Complex, Ambiguous
YTD	Year to Date

CHAPTER ONE: INTRODUCTION

1.1. INTRODUCTION

Organisations operate in environments that pose business risks, which, if left unmitigated, can have catastrophic impacts on any organisation's success and existence. Such business risks result in the ability of any organisation to fulfil its mandate and create customer value in line with its strategic objectives being threatened. The nature of business risks varies as they can be in the form of strategic, operational, systemic, and reputational risks, amongst many others (Musa, Thomas & Olufemi, 2014).

A generally accepted definition of risk is that it can be referred to as the effect that is brought about by uncertainties in achieving business objectives. As organisations develop plans of anticipated organisational performance, risks can affect these plans by causing a deviation from the expected performance, which can either be positive or negative.

For an organisation to establish its performance targets and report its performance, indicators are developed and used to measure the level of performance for each objective. Performance objective setting is essential as it ensures that employees know what is expected of them and how they are required to contribute towards the overall business objectives (Cameron & Sewell, 2003, p. 244).

Pillay (2007) asserts that “performance management is a shared process between managers, individuals and the teams they manage. It rejects the assumption that only managers are accountable for the performance of their teams and replaces it with the belief that responsibility is shared between managers and team members.” This suggests that performance in any organisation ultimately becomes the responsibility of everyone working there.

A risk assessment process ought to be conducted to identify the dominant risks in the organisation's operating environment. This process is a set of activities that identifies,

assesses and articulates the risks in the organisation's environment (Lindauer, 2017). The outcome of risk assessments leads to results in mitigation plans against the risks identified.

With risks being unavoidable concomitants of conducting business, it spells out that risks affect any organisation's performance. In order to achieve the expected results, the relationship between risks and returns, which are generally the performance objectives, has to be well managed so that the shareholders get their envisaged returns expected and associated with the risks they bear through their investments.

This dissertation is presented across six chapters, each with a specific focus. In Chapter 1, the focus is on introducing the research, including, amongst others, the research objectives, research questions, research methodology, and the research design. This will be followed by Chapter 2, reviewing the literature that will unpack the study's key features. Chapter 3 unpacks the research methodology that is introduced in Chapter 2. Chapter 4 presents the results of the data collected, whereas Chapter 5 analyses and discusses the results. Finally, Chapter 6 concludes the research and presents recommendations for future studies, to enhance the current study.

1.2. PROBLEM STATEMENT

Organisations develop and implement risk mitigation plans after conducting risk assessments to counter any identified risks. It is generally accepted that the effectiveness of risk management plans is the achievement of organisational goals.

Given the above, it is then essential to understand whether implementing risk mitigation plans results in achieving organisational goals at City Power. While City Power has a fully capacitated and operational Enterprise Risk Management (ERM) unit, its impact on achieving high organisational performance is unknown.

1.3. AIM/PURPOSE OF THE STUDY

The purpose of this study was to examine the impact of the Enterprise Risk Management (ERM) process on City Power Johannesburg's organisational performance.

It is hypothesised that effective Enterprise Risk Management leads to achieving organisational objectives, which leads to performance objectives and targets being met. It is this theory that the study aimed to investigate.

1.4. SIGNIFICANCE OF THE STUDY

Several studies, with varying conclusions, investigated the two areas that are the focus of this research, with some of these presented in the literature review in Chapter 2. There is, however, no study that was found in an operating environment that is similar to that of City Power.

City Power has an Enterprise Risk Management unit, whose mandate is to help the organisation identify and mitigate risks that will impede the achievement of its objectives. Furthermore, within the company, organisational performance reporting is a unit's responsibility that tracks, consolidates and reports the organisational picture.

For City Power's purposes, the study's significance is that it intends to identify whether the impact of implementing Enterprise Risk Management plans to mitigate risks within City Power results in the organisation achieving its goals and targets. In addition, the study will add to the existing body of knowledge as the study was conducted in an environment not previously researched.

1.5. RESEARCH OBJECTIVES

This research aims to understand the impact of implementing risk management plans on achieving organisational performance targets at City Power.

Secondly, it is to understand if the implementation of risk mitigation plans at City Power will lead to the achievement of organisational goals.

Finally, the research will examine if the risk management processes are applied according to the best practice per the ISO 31000 Risk Management Standards and the requirements of the Local Government Risk Management Framework.

1.6. RESEARCH QUESTIONS

1. What is the impact of the implementation of the risk management plans on the achievement of organisational targets?

2. Is there a correlation between achievements of organisational goals and the risk mitigation plans implemented?

3. Is the Enterprise Risk Management process implemented according to the requirements of the relevant legislations and standards at City Power?

1.7. RESEARCH METHODOLOGY

The data required to perform the research were available and accessible. The data were available in business and performance plans, reports, and risk management registers. Due to the availability of the data, the study was conducted using secondary data.

1.8. RESEARCH DESIGN

The research design approach was quantitative and it took the form of correlational research. This choice was informed by the fact that the study endeavoured to determine the extent of the relationship between the two data variables: Enterprise Risk Management and organisational performance information. The relationship between these variables will be understood by recognising the data trends and patterns. What the correlation research design does not do, though, is prove the causes for the patterns that are found in the research.

Desktop research was conducted as all the required information is available in the public domain. This implies that secondary data were utilised, and no primary data were collected.

The research commenced by initially analysing Enterprise Risk Management information in the form of Strategic and Operational Risk Registers, Risk Assessments and Mitigation Plans, and Implementation Reports. A correlational study of the risk

information against organisational performance information for corresponding periods (financial years 2016/17 to 2021/22) was conducted to meet the research objectives and answer the research questions.

1.9. Delimitations of This Study

The research relied on secondary sources in the form of documents rather than collecting primary data, as the available information was deemed adequate. The required data are publicly accessible, and this methodology was selected in accordance with the research objectives and questions to define the scope of the study.

1.10. Theoretical Framework of This Study

The study was restricted to establishing a comprehensive understanding of risk management and organisational performance and establishing the relationship between the two. Because an inductive approach for data analysis was followed, this altered the framework as additional themes emerged during the study.

1.11. Definition of Key Terms

- Enterprise Risk Management – organisations' processes and methods to manage risks and seize opportunities to achieve their objectives.
- Key Performance Indicators - measure an organisation's planned performance per performance area to achieve its goal.
- Organisational Performance - comprises the actual output of an organisation as measured against its planned outputs.

1.12. Conclusion

In this chapter, an introduction to the purpose of the study was discussed. Identifying the problem statement provided clarity on the research objectives. The direction of any research is guided by the questions the study seeks to answer, and as such, three questions were posed that the research endeavoured to fully answer. The research methodology was introduced and discussed in more detail in Chapter 3. The theoretical

framework is a significant consideration as it guides the researcher on the boundaries of the research. This, too, was also considered. The chapter is concluded by defining the key terms utilised in the research.

CHAPTER TWO: LITERATURE REVIEW

2.1. INTRODUCTION

This chapter focuses on the theoretical review of the literature in the study, where the leading theories on risk management and organisational performance are discussed. The conceptual framework in the study will also be explored, including gaps in the literature.

2.2. CRITICAL REVIEW OF DATA

2.2.1. Enterprise Risk Management

The manner in which organisations have taken to risk management has seen a positive shift in the appreciation of the discipline. This shift has seen organisations look at risk management from a silo perspective to a more holistic view. This holistic approach is considered Enterprise Risk Management (Gordon *et al.,* 2009).

As we know today, risk management did not start as we may typically think in organisations. The history of risk management dates back to post-World War II. Market insurance was used to protect companies and individuals from losses arising from accidents. As the discipline developed in the 1950s, the practice of using market insurance declined due to its high costs and being considered inadequate as protection (Dionne, 2013). Over the years, the discipline has evolved beyond risk transfer (insurance) in organisations as a critical function that is carried out to maximise the efficiency of an organisation by managing and reducing exposure to risks.

As the discipline has evolved and its significance increased, globally recognised and accepted frameworks for the discipline have emerged. Risk-conscious organisations generally apply either of these frameworks as a show of commitment to managing organisational risks. The frameworks are discussed further below.

The silo approach of risk management in the organisation was designed to only focus on monitoring an organisation's core activities to reduce the potential of risks occurring and mitigate against unintended failures. This approach assumes that risks in one part

of an organisation will not affect the operations or activities of another unit or department (Simona-Iulia, 2014). The approach had functions similar to the traditional management concept of planning, organising, leading and controlling. A five-step process was employed in deciding how to apply risk management in a unit or department. The first step involved identifying and analysing exposures to unforeseen losses. This requires understanding the cause and probability of risk. In the second step, the unit must evaluate whether alternative risk management techniques are suitable for addressing these exposures and identify effective ways to deal with them. The third step involves selecting the best risk management technique after comparing it with the others. The fourth is implementing the chosen risk management technique, and the fifth step is to monitor the results. Although this approach is practical for dealing with absolute risk, it focuses more on individual risks and assumes no interaction between various risks. As a result, it is not practical for managers in different departments to handle each risk separately (Simona-Iulia, 2014).

2.2.2. ISO 31000 – Risk Management Standard

The International Organisation for Standardization (ISO) developed ISO 31000, which focuses on Risk Management. According to ISO, the purpose of this standard is to address operational continuity as it seeks to provide assurance regarding economic resilience, safety and environmental outcomes, and professional reputation. The principles, framework and processes that the standard outlines are reflected in the Figure 1 below. These guide the organisation and helps it review its own to modify or enhance them, ensuring that risk management is efficient, effective, and uniform.

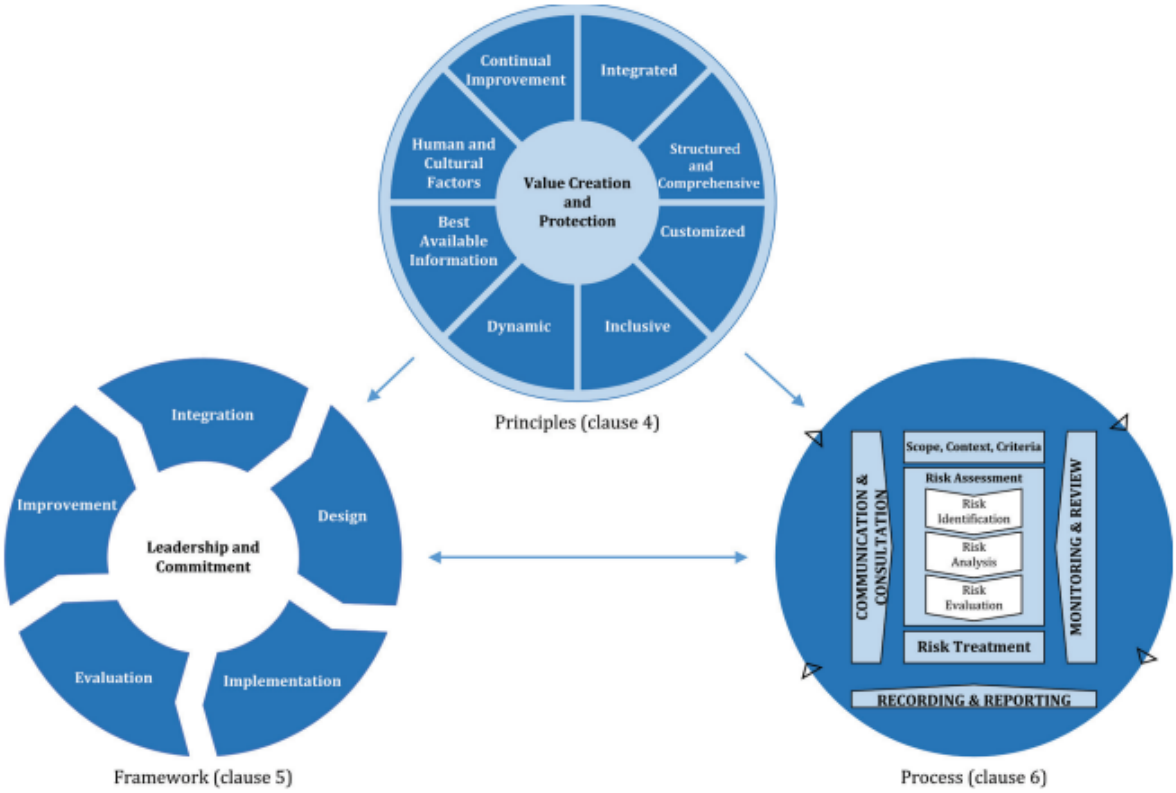


Figure 1: ISO 31000 Principles, Framework and Process

The “principles” offer direction on the attributes of risk management that are effective and efficient, conveying its value and clarifying its intent and objective. They are the bedrock for risk management and should be considered when constructing the organisation's framework and processes. These principles should empower the organisation to manage the impact of uncertainty on its objectives.

The risk management “framework” aims to help the organisation embed risk management into critical activities and functions. The success of risk management is reliant on its integration into the organisation's governance, including decision making. This necessitates support from stakeholders, especially top management.

The risk management “process” entails a structured application of policies, procedures, and practices to various activities, including communication, consultation, context establishment, risk assessment, treatment, monitoring, review, recording, and reporting of risks.

2.2.3. Committee of Sponsoring Organisations of the Treadway Commission

In addition to the ISO 31000 standard of Risk Management, an international equivalent of ISO 31000 is the Committee of Sponsoring Organisations of the Treadway Commission (COSO). It also provides an ERM-integrated framework highlighting the importance of considering the risks in the strategy-setting process and driving performance. This standard is not favoured in South Africa, particularly City Power, with ISO 31000 being the more prevalent standard.

2.2.4. National Treasury Frameworks on Risk Management

South Africa's National Treasury provides a framework that guides how Risk Management should be applied in the Public Sector, specifically in Local Government. The framework draws from relevant legislation in South Africa, such as the Public Finance Management Act (PFMA), Municipal Finance Management Act (MFMA) and the Public Sector Management Framework. Since City Power is an entity at the local government level and operates at the municipal level, it is compelled to comply with the Local Government Risk Management Framework.

The Local Government Risk Management Framework stipulates that every entity ought to have a risk management strategy, with six specific elements that must be present in the strategy. These elements include an action plan aimed at improving the maturity levels of risk management, a specific focus on fraud and corruption, which must be accompanied by a policy, structure and reporting lines of the risk management unit, a description of the ERM modality adopted, a clear guideline for users and finally, reviews and assurance details of the ERM process.

Furthermore, the Public Sector Management Framework and Local Government Risk Management Framework are similar in the sense that they both guide how an entity ought to create an enabling environment for ERM to thrive; they spell out the risk management function of Executive Authorities, including the Accounting Officer. Combined assurance between the ERM functions, Internal and External Audit, and any other assurance-providing body, such as Compliance Management, Security Management, and more, are critical to managing organisational risks, and the

frameworks are insistent on that.

2.2.5. Corporate Governance

For Enterprise Risk Management to be entirely accepted in organisations, the value of it must be understood by the employees. A study was conducted by Chen *et al.* (2019) in the finance industry in Taiwan, to establish if any value was created from the adoption of ERM. The study revealed that a financial company which implements ERM showed an increase in value of 5.37% compared to those that did not. Interestingly, the study also revealed that an improvement to the revenue and cost efficiencies of 9.22% and 16.34%, respectively, was achieved.

Corporate governance is vital to implementing ERM in organisations (Lam & Kawamoto, 1997). Corporate governance is used to signify the centrality of authority and control in the framework of publicly listed organisations. Tabassum and Singh (2020, p. 2) argue that applying corporate governance practices has the potential to become a powerful development tool for emerging economies in the quest to achieve their objectives of national importance. This argument can be inferred to be accurate, as according to Johnson *et al.* (2000, p.146), the financial crisis in Asia was linked to poor application of corporate governance.

As depicted in Figure 1 below, corporate governance concerns itself with oversight by higher structures over lower structures through all the layers of an organisation. A breach in oversight at any level can expose an organisation to various risks and losses. Internally, the Board of Directors discharges their mandate as given to them by the debt and equity holders of the organisation. Amongst the various vital functions that the Board is charged with, they are responsible for developing and providing the corporate strategy, articulating action plans, and assuming accountability for the Enterprise Risk Management policy. The management of the organisation implements the mandate.

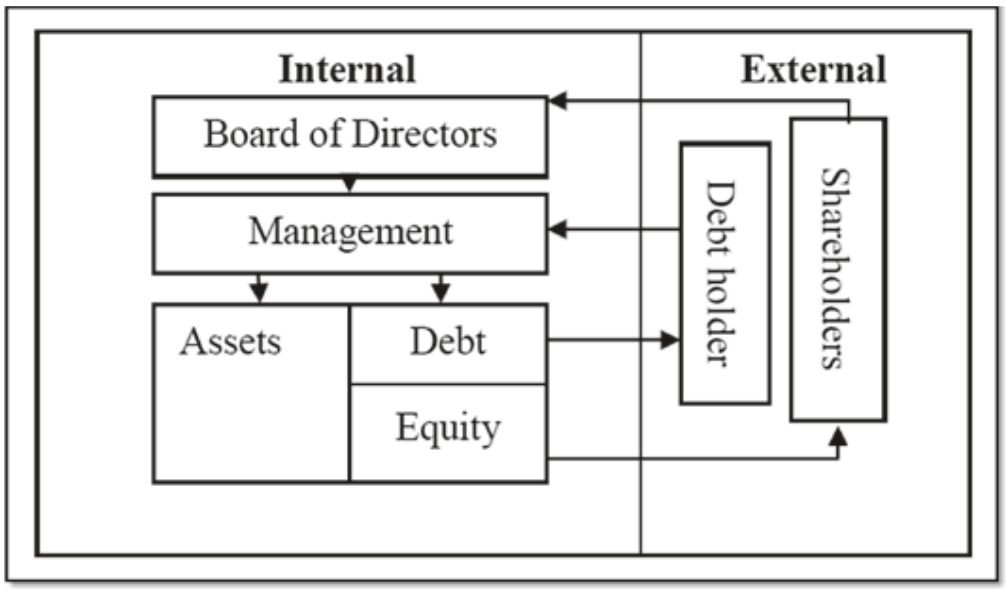


Figure 2: A model of Corporate Governance *Source Corporate Governance and the Balance Sheet Model of the Firm—adapted from Ross et al. [2005])*

The corporate governance model is overarched by a corporate governance framework, which ensures that disclosures on all material matters are made timely and accurately. This is done to ensure transparency to all the stakeholders of the organisation.

Corporate governance is more important in countries with weak legal environments or weak regulation levels (Klapper & Love, 2004). The same research revealed that developed countries have more robust governance environments than emerging market countries.

Remarkably, even in countries with good corporate governance, business failures and corporate scandals have been prevalent, notably the 2008 financial crisis. The affected organisations claimed to have advanced ERM implemented, although scholars argue that ERM was not implemented effectively or that their ERM philosophy was flawed. For this reason, Enterprise Risk Management proposes integrating all organisational risks, including aligning risk management with corporate governance and strategy (Ramirez & Simkins, 2008).

Although not infallible, ERM is critical for driving organisations towards achieving their objectives. Implementing sound risk management processes and frameworks in an environment with a solid corporate governance structure can reduce risks and achieve objectives.

2.2.6. Organisational Performance and Performance Management

Performance is a characteristic or principle of governance that refers to the ability of an organisation to perform the required functions and capacity to undertake regular and comprehensive reviews of progress towards objectives and respond to challenges (Shipley & Kovacs 2008, p. 217). Thus, organisational performance, as a concept, consists of two components. On the one hand, an organisation is an organised group of individuals or employees with specified and articulated functions and purposes, while performance is regarded as the process or action of performing a function or task. Effectively, it is the degree to which an organisation positions itself effectively in the business market to achieve its objectives.

Traditionally, most performance measures have been focused on financial performance (Mishra & Mohanty, 2014). The metrics include return on investment, gross and net profit margins, debt-to-equity ratios and inventory turnover. Although not exhaustive, these measures only provide a glimpse of performance.

The setting of organisational goals and the measurement against them is effectively what gives rise to organisational performance. Lebas and Euske (2004, p.78) define the term performance as, “performance is not just something one observes and measures; it is the result of deliberate construction. Performance is a relative concept defined in terms of some referent employing a complex set of time-based and causality-based indicators bearing on future realisations”.

According to Horga (2012), achieving good organisational performance and a positive sense of work includes cultivating a satisfying work environment, maintaining positive relationships with colleagues, and driving effective communication within the organisations. A work environment which is compassionate and where positivity and good emotions dominate leads to smooth running among colleagues. Furthermore, creating positive relationships by engaging organisational leadership contributes to a positive sense of work.

Similar to the application and adoption of ERM, organisational performance is tied to good governance. Generally, this term relates to the performance of governments, which are the political institutions responsible for exercising the state’s executive power

(Elahi, 2009, p.1168).

In South Africa, the government provides a framework in legislation called the Local Government Municipal Systems Act, 32 of 2000. This legislation requires municipalities and municipal-owned entities to develop an Integrated Development Plan (IDP). The IDPs are strategic plans for the municipalities to guide the planning process to achieve its developmental goals and provide a performance monitoring and evaluation tool. It also incorporates a performance management system (Nzimakwe & Ntshakala, 2016).

Research conducted by Taylor (2000, p.111) concludes a correlation between strategic planning and organisational effectiveness. What this suggests is that good strategic planning leads to high organisational performance. The relevant legislation around public entities' performance management should be considered with the study conducted in a public entity.

2.2.7. Enterprise Risk Management and Company Performance

The adoption of ERM by organisations globally seems to support the notion that organisations believe ERM can improve organisational performance (Gates *et al.,* 2005). They do this despite the fact that there is little empirical evidence to prove the correlation between the two entirely. The economic crisis in the years 2008-2009 was a perfect example that called the world to examine the true effects and impacts of ERM on organisations. Nonetheless, as the literature suggests, research is continuing to examine the effectiveness of risk management on an organisation's performance.

A study, which looked into ERM and company performance that focused on commercially listed companies, was undertaken, and the outcome of such was fascinating. In performing this research, Rahman *et al.* (2017) looked into 175 listed companies in China between 2009 and 2018. Similar to this research paper, no previous study looked into listed organisations in this industry. The study focused on operational and strategic risks only. Using publicly available information from the China stock market and further processing the data using descriptive statistics for the six research variables. The outcome of the research was able to reveal that there is a strong link between ERM and company performance.

In another study by Aquino *et al.* (2022), they sort to investigate the role of ERM systems in achieving financial and economic goals, with the primary objective being profitability and growth. They focused on three Pakistani financial services organisations (audit firms, financial institutions and banks). Almost similar to the objectives of this research paper, the three objectives were first, the evaluation of the importance of ERM in their business environment; second, the examination of whether ERM, as a tool, assists in improving the financial performance of the three organisations; and lastly, to obtain an understanding of the risk tools applied. An exciting hypothesis tested was the role of the non-executive directors having a positive relationship with the firm's performance, which was rejected. Overall, the research revealed that ERM enhances productivity and leads to the achievement of goals. In addition, it aids in the reduction of the chances of uncertainty in an organisation.

Organisational culture, maturity of ERM systems, and acceptance in an organisation are imperative for Small and Medium Enterprises (SMEs) financial performance. This is according to research conducted by Syrová1 *et al.* (2023), whose study reveals that the mere adoption of ERM systems is insufficient. These authors assert that specific organisations pretend that they have implemented ERM systems, only to find that they lack the imperatives, which prohibit them from effectively implementing them and, therefore, have a bearing on the financial performance.

An interesting curve was presented in research conducted by Gordon *et al.* (2009), where they argue that the success of the impact of ERM in organisations is contingent on five factors. The first factor is environmental uncertainty, which relates to the unpredictable nature of future events in the organisation's operating environment, creating volatility and resilience. The second factor is industry competition, which is inherent to many business settings, and they argue that higher competition requires more robust mitigation plans. The organisation's size is the third factor, as they identify a correlation between the firm's size and the ERM system. The firm's complexity is the fourth identified factor, as more stringent internal controls are required when the structure of an organisation proves to be complex. Finally, buy-in and encouragement by those charged with oversight duties, the non-executive directors, is paramount. Although the findings by Aquino *et al.* (2022) hypothesised that this is not necessarily pivotal, Tabassum and Singh (2020, p. 2) also state that good corporate governance is essential for effective ERM systems. The conclusion of the research by Gordon *et*

al. (2009) confirms that ERM and firm performance are contingent on the five factors.

Much closer to home, in West Africa, a correlational study on the effect of ERM and organisational performance of a sample of listed publishing companies was undertaken in Nigeria (Adebowale, 2021). The similarities of this study to the one conducted through this mini-dissertation is that the data utilised are secondary data obtained from annual integrated reports of these entities, including their financial statements. Again, a quantitative data analysis method was utilised. The results show that effective implementation of risk management practices and appointing critical personnel such as a chief risk officer, internal auditors, non-executive directors, and more could positively influence the performance of particular financial KPIs, whilst their absence has a negative impact.

What can be deduced from these various global studies is that numerous variables contribute to the achievement of organisational performance. Additionally, effective implementation of ERM in one industry has different results in another industry and organisation. Finally, the degree of application cannot be uniform across industries, sectors or countries as the varying differences and risk maturity levels of each organisation, industry, and country require a different approach.

2.3. CONCEPTUAL FRAMEWORK

Stemming from the theoretical framework and the literature review, the following was this study's conceptual framework:

- ERM: Which framework is applied within City Power?
- Risk Assessment: How comprehensive are the risk assessments to assist City Power in identifying the risks that it is exposed to in its environment?
- Corporate Governance: What is the level of application of corporate governance at City Power?
- Target Setting: How are the organisational targets set in accordance with the strategic objectives?

2.4. GAPS IN THE LITERATURE

The literature refers to how ERM can influence the performance of an organisation; however, no literature was found on a study that examines the relationship between the two in an operating environment similar to the one of City Power. Therefore, this was the purpose of the study. In conducting the study further, I envisage that further gaps may be reached when an additional literature review is performed.

2.5. CONCLUSION

In this chapter, literature that is relevant to the study was presented, with a focus on risk management and organisational performance. The purpose of the literature was to enhance the foundation for the study. The gap in the literature was also explored, with this directing the focus of the study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. INTRODUCTION

A helpful research method needs to be developed for a meaningful study and to provide valuable outputs. This provides a structure and guides the researcher in conducting the research, as there are various methods that can possibly be utilised in research. The researcher should, therefore, select the appropriate methodology for the study being conducted. In this chapter, the appropriate research methodology is discussed.

3.2. RESEARCH DESIGN

According to Kumar (2011, p. 94), “a research design is a procedural plan that the researcher adopts to answer questions validly, objectively, accurately and economically”. It is the arrangement of conditions that allow for the collection of data and its analysis in a manner that seeks to combine the relevance of the research purpose with acquiring answers to the research questions. Summarily, this process constitutes a logical blueprint for collecting and measuring data.

Saunders *et al.* (2012, p. 128) provide a research design framework. The research onion (Figure 3), as it is popularly known, provides the various layers to collecting the data needed for one’s research.

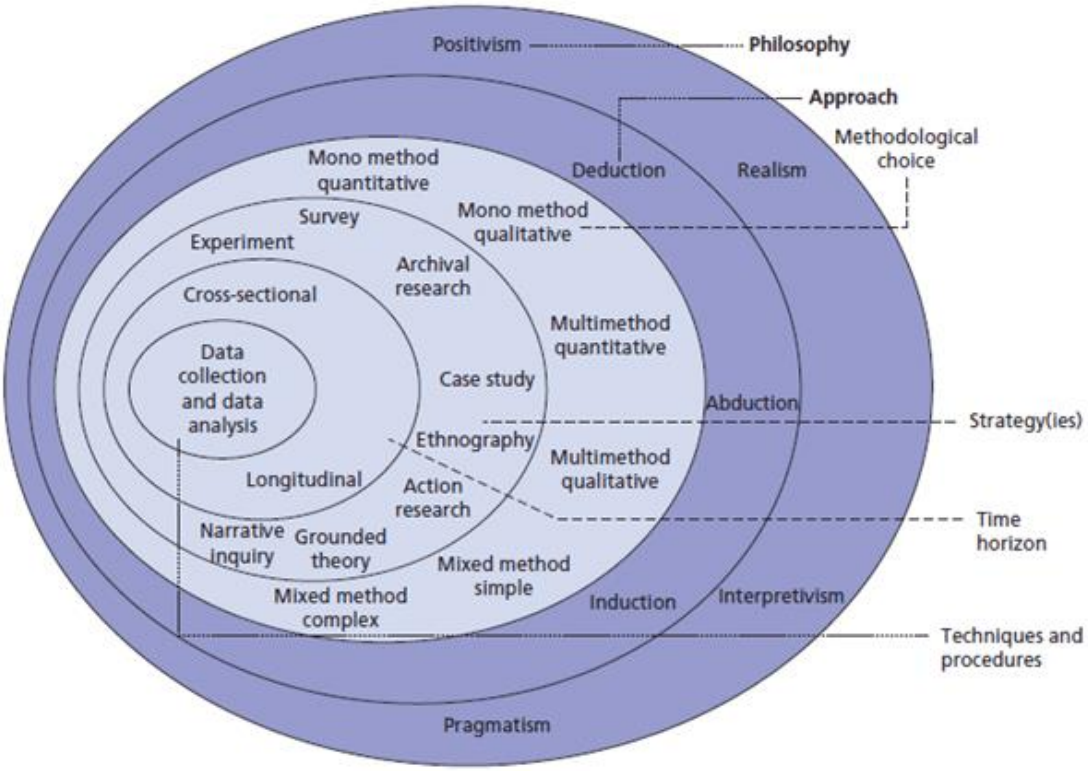


Figure 3: Research Onion *Source: Mark Saunders, Philip Lewis and Adrian Thornhill 2011*

The study employed the positivism paradigm as its research design. The research utilised quantitative research techniques and descriptive evaluation methods, using available information from the organisation's annual integrated reports as the data collection tool to achieve the research objectives.

As such, the research was conducted using the available knowledge, resulting in deductive approach-based research that expanded the researcher's understanding of the importance of Enterprise Risk Management (ERM) and how it enhances an organisation's performance. The research process involved identifying, assessing, testing, and establishing the research's concepts.

3.2.1. Philosophy

Research philosophy is a set of beliefs about how data should be gathered, analysed and used about a phenomenon. Saunders *et al.* identify four philosophies through which data collection can be viewed (2012, p. 140). As the selection of a philosophy adopted is subjective and personal, it is considered the view and prism through which the researcher conceives the world. Those assumptions that the researcher holds

underpin the research strategy and methods chosen by the researcher.

Pragmatism suggests that the relevance of concepts is only when it supports actions. Simplistically, this means that the importance of a research finding is its practical consequences and not inferences. Unlike the researcher who adopts a philosophy of positivism and will collect data to search for regularities and causal relationships about an observable reality to prove that whatever exists can be verified, the one who adopts a realism position will rely on the idea that what you see is what you get and that the world exists independent of the mind.

For purposes of this study, I adopted the interpretivism philosophy. Intertpretivists argue that reality can be fully understood only through the subjective interpretation of reality. In their book, Saunders *et al.* indicate, “some would argue that an interpretivist perspective is highly appropriate in the case of business and management research” (2012, p. 137), which is, however, appropriate for my research.

3.2.2. Approach

The treatment of data and theories can be approached using one of three ways. Using an inductive approach, the researcher moves from a known premise and collects data to build a theory by identifying gaps in reaching a conclusion, thus forming a conceptual framework. Induction moves from data to theory. In deduction, this approach suggests that the conclusion logically follows the known and understood premise or theory, where the research starts from the theory and goes to the data. Interestingly in deduction, the researcher begins with observing and then follows this with developing a theory of how the finding occurred.

This research followed an induction approach, as the data from City Power were available, where I followed and researched the impacts of one on the other to find a conclusion.

3.2.3. Strategy

The decision to select an interpretivism philosophy is underpinned by the fact that the data to analyse and interpret is available in the public domain and was accessible to

me within the organisation. With various strategies available at my disposal for quantitative and qualitative research, the appropriate strategies to utilise for this research were the grounded theory for qualitative research and the survey for quantitative. This involved comparative research, as the data available were comparable (Saunders *et al.* 2012, p. 318).

3.2.4. Time Horizon

The time horizon of this study was longitudinal. The period for conducting the study to answer the research questions covered six financial years, i.e. 2016/17 to 2021/22. A longitudinal study is more appropriate when secondary data are utilised to conduct the study, limiting it to a particular period in time (Saunders *et al.,* 2012, p. 318). Access to the data did not impede conducting the study.

3.3. RESEARCH METHODOLOGY

Kumar (2011, p. 138) indicates two major information-gathering approaches, whether the information is about a person, a situation, a research problem or a phenomenon. The author confirms that information may have to be collected, is referred to as primary data. However, there are instances where the required information is already available, and the researcher needs to extract it. The latter type of data is secondary data. Pictorially, the methods of collection are depicted in Figure 4 below:

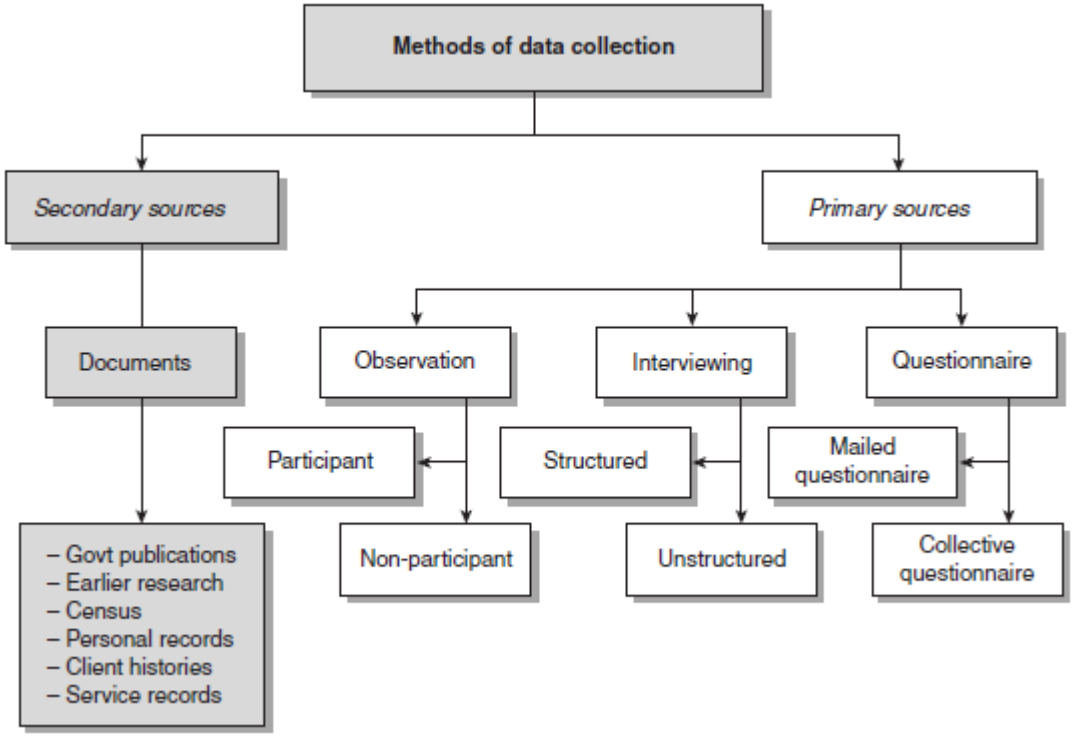


Figure 4: Methods of Data Collection *Source: Kumar (2011:139)*

No data collection methods provide absolute and utterly reliable information; thus, the data quality depends on several factors. Kumar advises that the purpose of the study undertaken mainly influences the choice of method, the available resources, and the researcher's skills (2011, p. 140).

As an illustration, on the one hand, if the selected data collection method is primary sources, and the researcher uses either questionnaires or interviews, the determinant of the quality of the data is how the relevance and purpose of the study are framed to the potential respondent. On the other hand, the quality of secondary data used plays a pivotal role in determining the outcomes and findings of the research.

For this study to answer the research questions, secondary data were used. The secondary sources of information were accessible, and the data were available. The data were in the form of risk strategies, risk registers, performance and integrated annual reports.

3.3.1. Target Population

This study involved the analysis of secondary data that were available in the public domain. The relevance of the documents selected for analysis was imperative for the study. There were no engagements with any individuals anticipated except those who would provide the required data used in the study and those who could clarify complex technical terminologies, which needed to be clarified.

3.3.2. Sampling Design

The sample was all the information specified above for the study period, six financial years, from 2016/17 to 2021/22. These documents included the following:

- Annual Business Plans (ABP)
- Annual Integrated Reporting (AIR)
- Audited Financial Statements

All this information is already available on the organisation's website, including the City of Johannesburg Metropolitan Municipality website.

3.3.3. Content Validity

Validity is fundamental in research, referring to any research study's conceptual and scientific soundness (Marczyk, *et al.* 2005 quoting Graziano & Raulin, 2004). Marczyk *et al.* (2005, p. 158) state that the “primary purpose of data validity is to increase the accuracy and usefulness of findings by eliminating or controlling as many confounding variables as possible, allowing for greater confidence in the findings of a given study”.

As the data to be used in the study are audited information and signed off by various assurance providers, with the Auditor General of South Africa providing the final approval for publishing the information, a substantial level of validity can be placed on them.

3.3.4. Reliability

Reliability in research generally refers to how reliable the research instrument used to collect data from respondents is when such is used.

No research instrument was utilised for this study as all the information is secondary data, with no primary data collected. The information is reliable as it has been audited and approved for publication by the highest assurance provider in the public sector, the Auditor General of South Africa.

3.3.5. Research Instrument

No research instrument was used to collect data as the study only analysed secondary data. The data from the organisation's website were analysed to address the research objectives and questions.

3.3.6. Data Analysis

The data for the study were sourced from the secondary data already mentioned above. The data were grouped in commonalities on MS Excel for the quantitative data and MS Word for the written data.

The data were processed in Microsoft Excel and presented in Microsoft Word tables to identify the trends picked up in determining the correlation between the data. A graphical representation of the outcome was made to the best of the data's manipulation ability.

Initially, the organisation's annual performance, as determined through the Key Performance Indicators (KPIs), is listed for each year. The varying nature of the KPIs made it difficult to comparatively line them up.

An identical approach was utilised for the identical strategic risks and their ratings and was plotted and compared to identify the ratings and their movement. In a fully mature ERM environment, the strategic risks are easily tracked to each KPI. However, this was not possible as this was not done as such.

As the study is guided by its objectives and the research questions, the data analysis always sought to address this.

3.4. Ethical Considerations

Even though there was no data collection instrument utilised in the form of questionnaires, surveys, and more, ethical clearance was required in accordance with the research policy of the Regenesys Business School. An application was made for consideration and approval by the Ethics Committee.

I foresaw that there would be minimal, if not any, ethical breaches as the data used in the research are mainly in the public domain and are also management information which is available for use by management for decision making and reporting. This research mainly enhances the value of the information and seeks to improve the usefulness of the information already at hand.

If it was necessary, permission would have been sought from the Chief Executive to conduct the research. However, since all the data utilised in this research is publicly available on the organisation's website, a researcher outside the organisation could have also conducted this research without seeking permission or access to the organisation. Therefore, no permission was required.

As a Business Performance Manager, I have exposure to the organisation's challenges, and I am confident that the study's findings will provide helpful insights to management, the Executive Committee and Board for improved organisational planning and decision-making.

3.5. Reporting Findings

The findings will be used to conclude the research questions in this study.

The study findings will be made available to the Chief Executive Officer and Executive Committee, including the Enterprise Risk Management and Strategy and Planning units.

3.6. CONCLUSION

This chapter focused on the research methodology utilised in collecting and analysing the data in this research. The research onion by Saunders *et al.* was selected as the basis for approaching the multi-layered data collection steps. Each of these layers is discussed in detail to outline the data collection approach.

CHAPTER FOUR: PRESENTATION OF RESULTS

4.1. INTRODUCTION

In this chapter, the study looks into the operating environment at City Power and mentions where there may be influences by its shareholders and political dynamics. The strategic risk registers and implementation plans are presented, and the organisational performance results for the six financial years that were researched.

4.2. BACKGROUND TO RESULTS PRESENTATION

To give proper effect and clarity to the data collected and used, as well as their presentation, it is essential to provide specific context for the environment that City Power operates in, as well as the organisation's structure regarding Enterprise Risk Management and Organisational Performance Management. This will enable the tackling of the research objectives and research questions.

4.2.1. The Public Service Operating Environment

The operating environment of local municipality departments and entities is governed by the Municipal Finance Management Act 51 of 2003. This legislation provides a framework for performance planning, monitoring and reporting. To effect this, municipalities and their entities develop strategies to streamline their activities to achieve the intended objectives.

Since City Power is a 100% owned entity by the City of Johannesburg Metropolitan Municipality, they provide the strategy to be implemented. This is generally informed by the political mandate of the government in office. It is from that political direction that City Power prioritises its plans to respond to the provided direction. A review of six financial years is done below, along with assessing the risks identified, risk mitigation plans, their effectiveness and influence on the organisational performance, if any.

4.2.2. Background of ERM Implementation at City Power

The Board of City Power approved the first Risk Management Policy on 24 February 2014, which signalled the formal incorporation of risk management into the structures of the organisation, and it became a strategic focus of the Board and Executive Management. This resulted in a risk assessment exercise to identify and assess the operational and strategic risks, the setting of the acceptable risk appetite for the organisation and the tolerance levels.

As City Power had adopted the ISO 31000 standard on Risk Management, it utilises these frameworks to perform the risk management process. The adoption of the standard is "applied within existing management systems to formalise and improve risk management processes and as part of strategic management implementation". The standard guides that risk assessments must be conducted. The initial risk assessments focused on the following five areas; operational risk, fraud, revenue management, outage management and compliance.

Additional sources that contribute to the mandate include the following:

- City of Johannesburg Group Risk Governance Framework of June 2013;
- Municipal Finance Management Act 56 of 2003;
- The Municipal Systems Act 32 of 2000;
- Municipal Structures Act 117 of 1998; and
- King IV Corporate Governance for South Africa.

4.2.3. Risk Assessments Process and Methodology – the City Power Way

The process of risk management at City Power is designed to ensure that all the ERM decisions follow a robust approach, that the risk assessments are conducted in a manner that follows the ISO 31000 standard, and for uniformity, simplified language and terminology is utilised for ease of understanding throughout City Power.

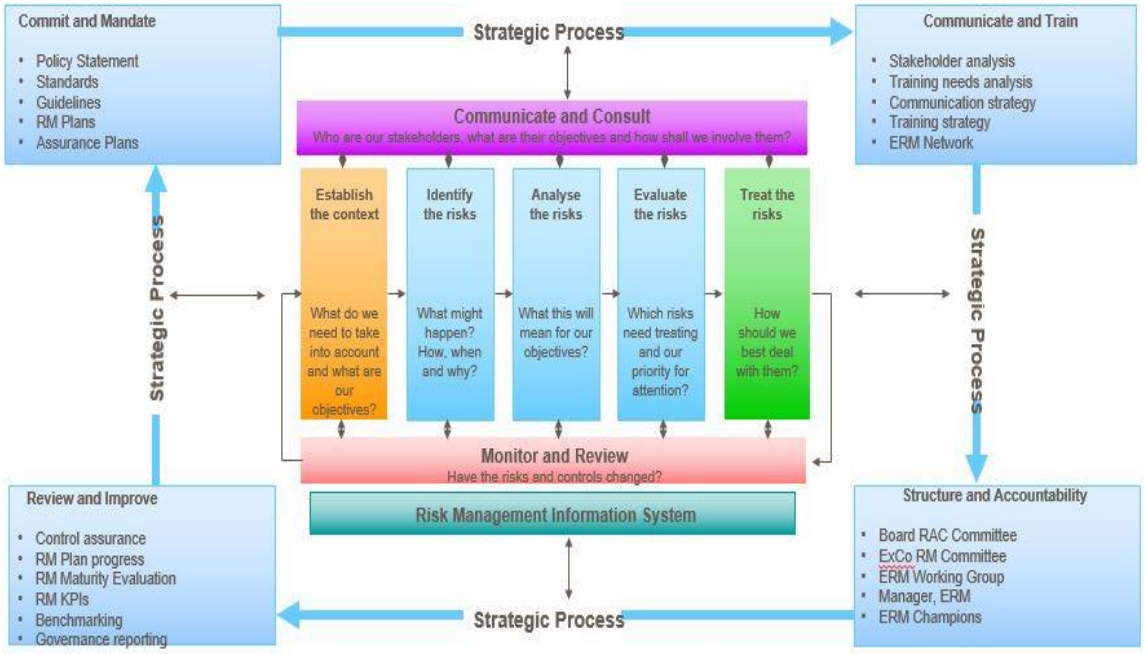


Figure 5: ISO 31000 ERM Process

The above diagram provides a structure for the risk management process and specifies what needs to occur under each step. Risk Management should not be primarily concerned with producing reports to senior management and Boards. Therefore, risk assessments frequently occur to provide an update on previous assessments and identify emerging risks.

Risk management is a continuous process that supports internal changes and decisions, allowing City Power to respond to external changes. As risk management is very much concerned with the strategy process of City Power, organisational management will, therefore, be closely associated with creating strategic, business and project plans and setting organisational or project objectives.

The risk management process follows these steps:

Process Step	Description	Purpose
Communication And Consultation	• Involving stakeholders (internal and external) and information sharing throughout the risk management process, vertically and horizontally across the organisation.	• Context is appropriately defined. • Staff involved throughout the risk process understand the basis for decisions and actions required. • Lessons learnt are shared and transferred to those who can benefit from them.

Process Step	Description		Purpose
Establish Context	• Understanding the company's objectives and defining the external and internal environment within which it operates. • Understanding internal and external factors and their implications for City Power		• Understand factors influencing the ability to achieve objectives. • Determine boundaries within which the risk management framework operates. • Define risk criteria to ensure risks are assessed consistently.
Risk Identification	**Risk Assessment**	• Identifying risks, their sources, causes and potential consequences.	• Generate a comprehensive list of threats and opportunities based on those events that might enhance, prevent, degrade, accelerate or delay the achievement of objectives.
Risk Analysis		• Comprehending the nature of the risk and determining the level of risk exposure (likelihood and impact).	• Provide an understanding of the inherent (level of exposure should controls fail) and controlled risk (level of exposure with controls in place). • Assist with identifying ineffective controls. • Inform risk evaluation and guide risk mitigation.
Risk Evaluation		• Comparing the risk analysis with the risk criteria to determine whether the risk is acceptable or tolerable.	• Determine whether the controlled risk is acceptable. • Determine if controlled risks need further treatment. • Identify the priority order in which individual risks should be treated.
Risk Treatment/ Mitigation	• Selecting one or more options for modifying the risk. • Reassessing the level of risks with controls and treatments in place (residual risk).		• Identify treatments for risks that fall outside the department's risk tolerance. • Provide an understanding of the residual risk (level of risk with controls and treatments in place). • Identify the priority order in which individual risks should be treated, monitored and reviewed.
Monitoring And Review	• Determining whether the risk profile has changed and whether new risks have emerged. • Checking control effectiveness and progress of the treatment plan AND determining how this modifies the risk		• Provide currency of risk information. • Identifying emerging risks. • Provide feedback on control efficiency and effectiveness. • Identify whether any further treatment is required. • Provide a basis to inform decision-making. • Capture lessons learnt from event failures, near misses and successes.

Table 1: CP ERM Framework and Methodology Process Steps *Source: ABP 2016/17*

In following this process, the strategic risks are identified first. These risks are highly detrimental to the organisation's sustainability and must be monitored closely. The process for identifying and approving these risks is presented to the Audit and Risk

Committee before the Board grants the final approval. The risks are rated and plotted on the risk matrix (to be discussed below). Risk mitigation in the form of risk treatment plans is put in place to ensure that the risks do not materialise (likelihood), and if they do, the impact is not detrimental.

Once the strategic risks have been identified and categorised, the remaining risks are referred to as the residual risk. These are the risks that remain after controls are put in place. Generally, organisational management is comfortable with this. In order to determine their rating, management must rate the effectiveness of their controls in mitigating the risk.

4.2.4. Risk Matrix

City Power has adopted a common tool for risk assessment, rating and prioritising risks. This includes the risk terminology, risk assessment tables and the 5X5 risk matrix. The assessment requires identifying the events and analysing the likelihood of the occurrence and the associated impact (nature and extent). The risks are prioritised accordingly depending on the inherent risk measurement (impact x likelihood), where these can be very high, high, moderate or low.

Likelihood of occurrence							
	Almost Certain	5	Low	Moderate	High	Very High	Very High
	Likely	4	Low	Moderate	High	High	Very High
	Possible	3	Low	Moderate	Moderate	High	High
	Unlikely	2	Low	Low	Moderate	Moderate	Moderate
	Remote	1	Low	Low	Low	Low	Low
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Severe/ Catastrophic
	Potential Impact/ Consequence						

Figure 6: Risk Rating Matrix *Source: ABP 2016/17 to 2021/22*

A risk score is utilised to categorise each identified risk to plot them on the risk heat map. The risk score is calculated by multiplying the Consequence by the Likelihood.

Rating	Risk Score	Colour
Very High	17-25	Red
High	11-16	Amber
Moderate/Medium	6-10	Yellow
Low	Below 5	Green

Table 2: Risk Rating, Scoring and Colour *Source: ABP 2016/17*

4.2.5. Risk Rating Criteria

The rating of risks is driven by two variables: the likelihood of an event occurring and the consequences that might arise if the event does occur. In order to determine the score of the risk as discussed above, an assessment is done of the consequence based on the criteria, which ranges from catastrophic, major, moderate, minor, to not significant, as depicted in Table 3 below. This is followed by an assessment of the likelihood of the event occurring in Table 4 below. The risk rating is determined by multiplying the consequence by the likelihood, with the total providing the overall rating of where the risk will be placed on the risk matrix in Figure 6 above.

Consequence Criteria The table below is to be used to assist management in quantifying the impact that the occurrence of specific risks may have on City Power												
Rating		**Financial**	**Reputation**	**Management Impact**	**Environment**	**Safety**	**Asset Creation**	**Customers**	**Legal & Compliance**	**Interruption of supply**	**Human Capital**	**Information Management**
5	Catastrophic	Financial loss of more than 15% Claims more than R10m Loss of Revenue of above 30% of Revenue	Long-term impact on public memory and major political implications. From a regulatory perspective fines or penalties > R500k may have been suffered. Customers may have been impacted so that complaints result from media coverage (National TV headlines) and loss of service >6 months.	Disaster with significant long-term impact on the company requires Executive Management to devote most of their time and attention for several months.	Irreversible long-term environmental harm prolonged impact Community outrage - potential large-scale class action Government agency inquiry	Employees may have suffered fatalities. Event may have resulted in staff loss causing catastrophic consequences.	**Project cost deviate:** > 20% **Schedule deviate:** > 35% delay **Quality:** Substantial - Major non-conformance resulting in scrapping of product. Product that is not fit for the purpose	Event may impact a performance target achievement where a significant milestone was missed by more than eight months to over one year.	Profound and enduring implications and onerous obligations for the organisation and its officers. Custodial sentence for the Company Executive	**Catastrophic Operations Outage size** = Tunnel fires • Substation that is completely burnt • Fallen towers • Critical customers, i.e. SABC, Hospitals, Rand Water, Sewerage farms **Number of customers affected** = +/- 6000 **Duration** = Exceeds 6 hours.	Loss of key personnel and skills (50% or more) in 1 year	**Cyber-resilience -** Malicious damage to computer networks or systems resulting in widespread, prolonged city supply interruptions and the ongoing inability to operate or restore supply to the city safely **Data confidentiality -** Disclosure of sensitive and/or confidential data and information could lead to ongoing community unrest, sabotage of operations, damage to City Power's reputation plus results in litigation **Critical System/Data Availability -** Major loss of or unavailability of mission-critical systems and/or data throughout City Power could severely impact City Power's revenue, profitability, licence to operate and reputation. **Information/data governed**

Consequence Criteria The table below is to be used to assist management in quantifying the impact that the occurrence of specific risks may have on City Power												
Rating		**Financial**	**Reputation**	**Management Impact**	**Environment**	**Safety**	**Asset Creation**	**Customers**	**Legal & Compliance**	**Interruption of supply**	**Human Capital**	**Information Management**
												as a corporate asset - Failure to fulfil City Power's fiduciary duties pertaining to the treatment of data/information as a corporate asset could result in investigations, liability and harm to City Power's reputation. **ICT key systems -** Not operative for 3-5 days
4	Major	Financial loss of more than 10% Claims more than R8m Loss of Revenue between 10% and 20%	Medium-term public impact with minor political implications. From a regulatory perspective fines or penalties > R150k may have been suffered. Customers may have been impacted, so complaints result from media coverage (national TV headlines) and loss of service for>1 month.	Critical event that will require the involvement of Executive Management, Group GMs and site managers for several weeks	Measurable environmental harm High potential for complaints from stakeholders and the community	Single fatality and /or employees may have suffered multiple permanent disabling injuries. Event may have resulted in staff loss, causing severe consequences.	**Project cost deviate:** > 10% and ≤ 15% **Schedule deviate:** > 10% and ≤ 25% delay **Quality:** Substantial - Major non-conformance resulting in scrapping of product. Product that is not fit for the purpose.	Event may impact a performance target achievement where a significant milestone was missed by more than six months, resulting in a significant customer impact.	Profound implications and onerous obligations for the organisation and its officers that would persist for several years. Possibility of custodial sentence Major litigation	**Abnormal Operations** **Outage size** = Substation **Number of customers affected** = +/- 6000 **Duration** = Exceeds 4 hours	Certain key executives and/or key employees and skills (>25% but <50%) are lost in 1 year	**Cyber-resilience -** Malicious damage to computer networks or systems resulting in prolonged regional supply interruptions and the inability to safely operate or restore supply to the region **Data confidentiality -** The disclosure of confidential/sensitive data to unauthorised employees could result in labour unrest in specific regions **Critical System/Data Availability -** Major loss of or unavailability of mission-critical systems and/or data throughout a City Power region could severely impact a region's revenue and profitability. **Information/data governed as a corporate asset -** Failure to fulfil City Power's fiduciary duties pertaining to the treatment of data/information as a corporate asset could result in investigations and harm to City Power's reputation. **Data integrity -** Incorrect decisions based on corrupt regional data, resulting in

Consequence Criteria The table below is to be used to assist management in quantifying the impact that the occurrence of specific risks may have on City Power												
Rating		**Financial**	**Reputation**	**Management Impact**	**Environment**	**Safety**	**Asset Creation**	**Customers**	**Legal & Compliance**	**Interruption of supply**	**Human Capital**	**Information Management**
												regional inefficiencies. **ICT key systems -** Not operative for two days
3	Moderate	Financial loss of more than 5% Claims more than R6m Loss of Revenue between 5% and 10 %	Regulator inquiry with medium-term impact on public memory. From a regulatory perspective, fines or penalties > R100k may have been suffered. Customers may have been impacted, so complaints result from media coverage (local newspaper, not front page).	Significant events that can be managed with careful attention. Will take some site-level management time over several days	Medium-term that would require informing Government agencies (e.g. noise, dust)	Employees may have suffered multiple temporary disabling injuries. Event may have resulted in staff loss causing severe consequences.	**Project cost deviate:** > 5% and ≤ 10% **Schedule deviate:** > 10% and ≤ 15% delay **Quality:** Significant - Standard requirements not met and rework needed. Significant elements of scope or functionality are affected.	Event may impact a performance target achievement where a significant milestone was missed by more than three months and subsequent interruption over several days to customers.	Significant obligations and implications for the organisation and its officers. Breach of regulation with investigation or report to authority with moderate fine possible	**Abnormal Operations** **Outage size** = Substation **Number of customers affected** = +/- 6000 **Duration** = Exceeds 2 hours.	Key skilled staff lost (>10%but <25%) in 1 year	**Cyber-resiliency** Malicious attempts to damage or disrupt computer networks or systems could disrupt core operations in other Departments. **Data Confidentiality** Confidential/sensitive data in a department could be leaked to unauthorised employees. **Information/data governed as a corporate asset** Failure to fulfil City Power's fiduciary duties pertaining to the treatment of data/information as a corporate asset could result in investigations. **Data integrity** Incorrect decisions based on corrupt data from departmental sources, resulting in inefficiencies **Data availability** Interdependency of data across departments compromised. **ICT key systems** - Not operative for one day
2	Minor	Financial loss of more than 3% Claims more than R4m Loss of revenue of 3%	Affects a significant number of the service areas but with a likely short-term impact on public memory. From a regulatory	Local operation of contingency plan Will require some local management attention	Short-term environmental impact on the community - clean-up costs	Employees may have suffered temporary disabling injuries. Event may have resulted in staff loss causing minor	**Project cost deviate:** > 2% and ≤ 5% **Schedule deviate:** > 5% and ≤ 10% delay **Quality:** Moderate - Requirements not met but requires	Event may impact a performance target achievement where a significant milestone was missed by more than	Minor legal issues, non-compliances and breaches of regulation	**Normal Operations** **Outage size** = Distributer **Number of customers affected** = +/- 2000 **Duration** =	Staff attrition (>4% but <10%) on an annual basis)	**Cyber-resiliency -** Malicious attempts to damage or disrupt computer networks or systems could disrupt core operations performed by divisions within a department **Data confidentiality -** Confidential/sensitive data in a department could be leaked to unauthorised

Consequence Criteria The table below is to be used to assist management in quantifying the impact that the occurrence of specific risks may have on City Power												
Rating		**Financial**	**Reputation**	**Management Impact**	**Environment**	**Safety**	**Asset Creation**	**Customers**	**Legal & Compliance**	**Interruption of supply**	**Human Capital**	**Information Management**
			perspective, fines or penalties > R50k may have been suffered. Customers may have been impacted, so complaints result from media coverage (suburban newspaper).			to moderate consequences.	concession. Failure to include certain elements promised to stakeholders.	one month, impacting a client segment.		Exceeds 2 hours.		employees within a department **Information/data governed as a corporate asset -** Failure to fulfil City Power's fiduciary duties pertaining to the treatment of data/information as a corporate asset could result in investigations. **Data integrity -** Incorrect decisions based on corrupt data from division sources, resulting in inefficiencies **Data availability -** Interdependency of data across divisions compromised. **ICT key systems** - Not in operation for less than 24 hours
1	Not significant	Financial loss of more than 2% Claims more than R2m Loss of revenue of less than 2% revenue	Contained within the particular service area. From a regulatory perspective, minor fines or penalties may have been suffered.	Absorbed within day-to-day operational management	Negligible impact on the environment, no impact on health or employees or members of the public	Employees may have suffered minor first-aid injuries. Event may have resulted in localised staff morale problems.	**Project cost deviate:** ≤ 2% **Schedule deviate:** ≤ 5% delay **Quality:** Minor - Slight deviation from specified requirements. Has no overall impact on usability/standards.	Customers may have been minimally impacted. Event may impact minimally on a performance target achievement.	There would be no appreciable effect. No breach of regulation	**Normal Operations** **Outage size** = Load Centre **Number of customers affected** = +/- 200 **Duration** = Exceeds 8 hours.	Minor or very low staff attrition rate (<4%)	**Cyber-resilience -** Malicious attempts to damage or disrupt computer networks or systems could disrupt core operations performed by divisions **Data confidentiality -** Confidential/sensitive data in a division could be leaked to unauthorised employees within a division **Information/data governed as a corporate asset -** Failure to fulfil City Power's fiduciary duties pertaining to the treatment of data/information as a corporate asset could result in investigations. **Data integrity -** Incorrect decisions based on corrupt data from division sources, resulting in inefficiencies **Data availability -**

Consequence Criteria The table below is to be used to assist management in quantifying the impact that the occurrence of specific risks may have on City Power											
Rating	Financial	Reputation	Management Impact	Environment	Safety	Asset Creation	Customers	Legal & Compliance	Interruption of supply	Human Capital	Information Management
											Interdependency of data across departments compromised. **ICT key systems** - Not operative for half a day

Table 3: Risk Consequence Table

	Description	Probability	Rating
Almost Certain	Event has occurred within the last year repeatedly.	The event is certain to occur within this financial year.	5
Likely	Event occurred within the last financial year.	The event is likely to occur within this financial year.	4
Possible	The event can occur at some time in the next year.	Event has been recorded within the organisation and the sector in the last two years.	3
Unlikely	Very few recorded or known incidents have a reasonable opportunity to occur as in other organisation's within the sector.	The event may occur at some time within the next two years.	2
Rare/ Remote	Events may occur in exceptional circumstances. No recorded incidents or little opportunity for occurrence.	No event has been recorded in the last three years.	1

Table 4: Risk Likelihood Table

4.2.6. Risk Governance Structure at City Power

The risk governance structure commences with the Board, the custodian of overall risk governance. They are also responsible for setting the risk appetite and approving the tolerance levels that the organisation ought to accept. In the financial year, a sub-committee of the Board called the Risk, Assurance, and Compliance Committee was in place to ensure that management applies the Risk Management policy and implements the risk management plans to enable the organisation to achieve the set strategic goals.

A Risk Committee of EXCO was also in place to monitor the implementation and effectiveness of risk mitigation plans, with the ultimate ownership of the risks lying with the managers where the risks reside. Management implements the risk management strategy and reports to the EXCO risk committee through a dedicated ERM Department.

Figure 7: Risk Governance Structure

The risk context within which City Power operates under consists of a multitude of risks. The risks exist internally and externally. Given the identified risks and limited resources, some were made into operational risks, while others remained strategic.

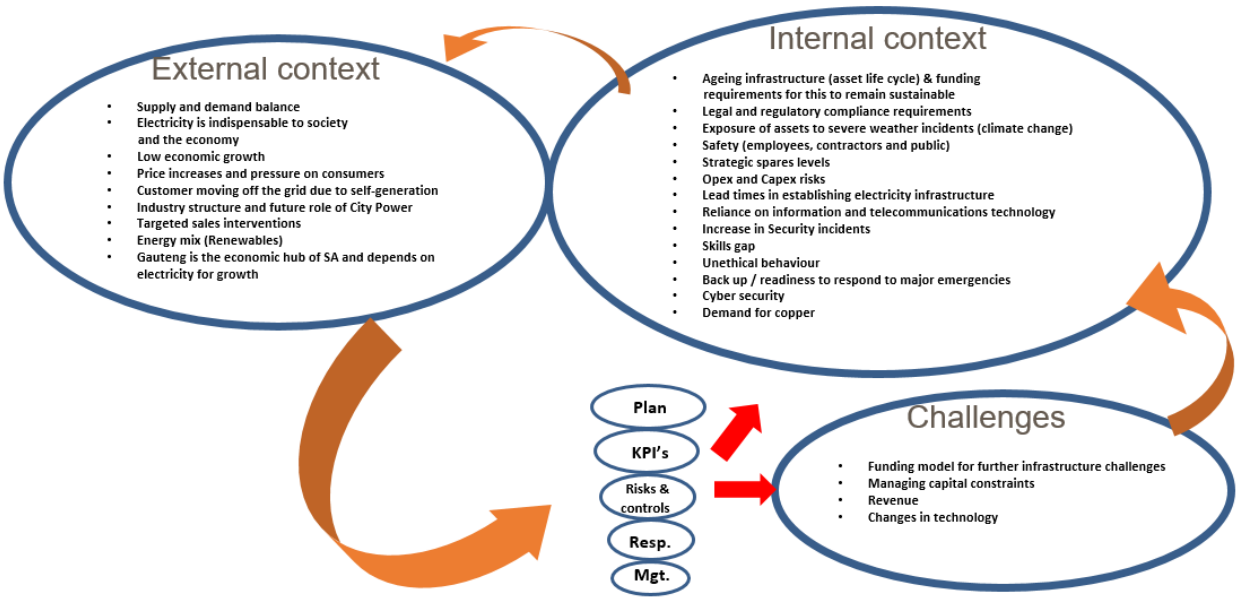


Figure 8: Issues That Inform the Risk Context

4.2.7. Organisational Strategy Setting Process

The strategic priorities for service delivery are set by the political administration in office in a particular financial year as they assume the position of shareholders (City of Johannesburg) during that period. With City Power being a municipal entity, the strategic priorities of the shareholder are translated into organisational strategies and applied in the context of City Power. These are then converted into organisational Key Performance Indicators (KPIs). The KPIs are used to determine the organisational performance by achieving these indicators.

The City of Johannesburg's Strategy from 2002 to date has evolved and changed focus, as illustrated in the table below:

	2002 – 2006	2006 – 2011	2011 - 2040
CoJ Strategy Document	Egoli 2002	GDS 2030	GDS 2040

Table 5: CoJ Strategy Documents

The strategy documents are set over a long term and intended to align with the political term of the local government in office during that period. The document seeks to provide a direction which will ensure that all the entities within the municipality must align in the delivery of their services, as promised by the political party on their election campaign trails.

In addition to the KPIs derived from the shareholder's priorities, other stakeholders provide KPIs that City Power must meet. These stakeholders include the National Treasury, the National and Provincial Departments of Human Settlement, and the Department of Minerals and Energy. Finally, City Power also develops its KPIs, which are informed by its mandate. It is against these KPIs that organisational performance is measured and determined.

City Power developed a 5-year turnaround strategy called VUCA 2022, which covered the financial years from 2017/18 to 2021/22. The strategy was aimed at responding to the Volatile, Uncertain, Complex and Ambiguous operating environment that seemed to outpace the business model of City Power, which was presenting new challenges to the organisation. For the period covered by this research, the VUCA Strategy was in place for four of the five years.

4.3. 6-YEAR RESULTS PRESENTATION

4.3.1. Financial Year 2016/17

Introduction

The GDS 2040 vision of the CoJ was "to be a world-class African city of the future". This vision influenced the vision of City Power, which was "to be a world-class energy utility", and which guided the strategic direction of City Power. The position of Chief Executive Officer was vacant following the expiry of the incumbent's contract in February 2017, leaving a leadership vacuum at the helm. Furthermore, political leadership changed from the African National Congress (ANC) to the Democratic Alliance (DA) following the local government elections.

Shareholder KPI's

In the financial year 2016/17, the twelve GDS 2040 Strategic Priority areas informed City Power's strategic approach, resulting in the nine organisational KPIs the organisation had set itself to deliver. This KPI target performance is listed below.

GDS 2040 Strategic Priorities	City Power Contribution	CP KPI's
Employment Creation, investment attraction and retention	Employment Creation	Improve % of Socioeconomic Development Index
Informal Economy, SMME and entrepreneurial support	BBBEE and SMME support	
Green and Blue Economy	Green Technologies	% Capex Spent
Transforming Sustainable Human Settlement	Security of Energy Supply	% Quality of supply (NRS048)
Agriculture and food security		
Climate Change and Resource Sustainability		% Quality of service (NRS047)
Smart City and Innovation	Smart Grid	
Building safer communities	Public Lighting	Megawatts of energy from alternative sources
Repositioning Joburg in the Global Arena	Benchmarking and Trend-Setting in the Energy Industry	
Financial Sustainability	Revenue Management, Protection and Completeness Security of Energy Supply	% Meter reading rate % reduction of loss
Active and Engaged Citizenry	Stakeholder Engagement and Communication	Improve Customer Satisfaction Index
Good Governance	Enterprise Risk Management & Compliance	Achievement Clean Audit

Table 6: City Power's Response to GDS 2040 *Source: ABP 2016/17*

KPIs: Organisational Delivery Strategy

Stemming from the GDS 2040 and the process of cascading shareholder priorities, the organisation developed the KPIs below that align with the priorities. The organisation's mandate also informs the KPIs.

KPI	Unit of Measure	Target	Actual
Number of new houses electrified	Number	4 000	4 850
Number of days to repair streetlights	Days	10	20
Number of all Medium Voltage network outages	Number	2 400	3 197
Number of all High Voltage network outages	Number	128	253
Number of new public lights installed	Number	2 000	2 961

KPI	Unit of Measure	Target	Actual
Number of Ripple relays installed	Number	5 000	6 225
Grid% Smart meters installed as per the metering policy	%	65	77
% of collection levels	%	96	95,86
% Meter reading performance	%	98	89,60
Number of jobs created through EPWP	Number	4 500	4 504
Number of jobs created through Jozi @ Work	Number	1 500	511
Attainment of unqualified ISO accreditation	Audit report	Unqualified Audit report	Unqualified Audit Report
Attainment of unqualified audit	Audit report	Unqualified Audit report	Unqualified Audit Report

Table 7: Organisational Performance: 2016/17 *Source: AIR 2016/17*

Strategic Risk: Beginning of the Year

The business plan that covers this financial year incorporated two financial years, i.e. 2015/16 and 2016/17. The following ten risks were identified at that stage for the planning period:

#	Risk Description	Beginning of Year
1	Non-Technical Losses and Declining Revenues	Very High
2	Escalation of Theft and Vandalism	Very High
3	Poor Stakeholder Perceptions	High
4	Not Attaining a Clean Audit	High
5	Further Network Deterioration Due to an Ineffective Maintenance Plan	High
6	Interrupted Distribution of Electricity	High
7	Non-Compliance with Legislation, Regulations and Governance	High
8	Inability of the Capital Programme to Respond to the Future Business Model	High
9	Inability to Respond to Disaster	Moderate
10	Loss of Life Due to Network Related Incidents	High

Table 8: Strategic Risk 2015 to 2017 *Source: ABP 2016/17*

Risk Performance for the Year

Stemming from the ten identified and approved risks in the two-year business plan of 2015/16 to 2016/17, the following six strategic risks were identified, measured and tracked in the 2016/17 financial year.

#	Risk Description Risk Owner	Beginning of Year	Average Implementation Progress %
1	Inadequate Capital Budget to respond to asset renewal, refurbishment, and expansion needs. Engineering Services Group	Very High	22%
2	High non-technical losses. Putting the financial stability and sustainability of City Power at risk. Metering Services Group	High	17%
3	Escalation of theft and vandalism. Engineering Operations Group	Very High	8%
4	Fraud and corruption activities due to unethical business practices. Business Sustainability Group	High	10%
5	Inability of the business model to respond to disruptive forces. Strategy Department	High	36%
6	Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate. Human Resources	Moderate	18%
Average Risk Treatment Plan Implementation			**18.5%**

Table 9: Strategic Risk Rating and Treatment Plan Implementation: 2016/17 *Source: AIR 2016/17*

4.3.2. Financial Year 2017/18

Introduction

The balanced-scorecard method sets the organisational strategy at the beginning of the financial year. Subsequently, a new CEO was appointed in October 2017, who introduced the VUCA 2022 Strategy mid-term. The transition to VUCA 2022 was intended to reposition the company to respond to industry changes and ensure business sustainability.

The strategic risks were revised with the change in the strategy to incorporate the newly identified risks aligning with the VUCA 2022 Strategy. An additional two risks were added to the risk register, and they were rated in accordance with the risk rating matrix.

KPIs: Organisational Delivery Strategy

The balanced-scorecard methodology was applied to develop and measure the implementation and performance of the organisational goals and KPIs. The KPIs were developed according to the four perspectives of the method, which are outlined below:

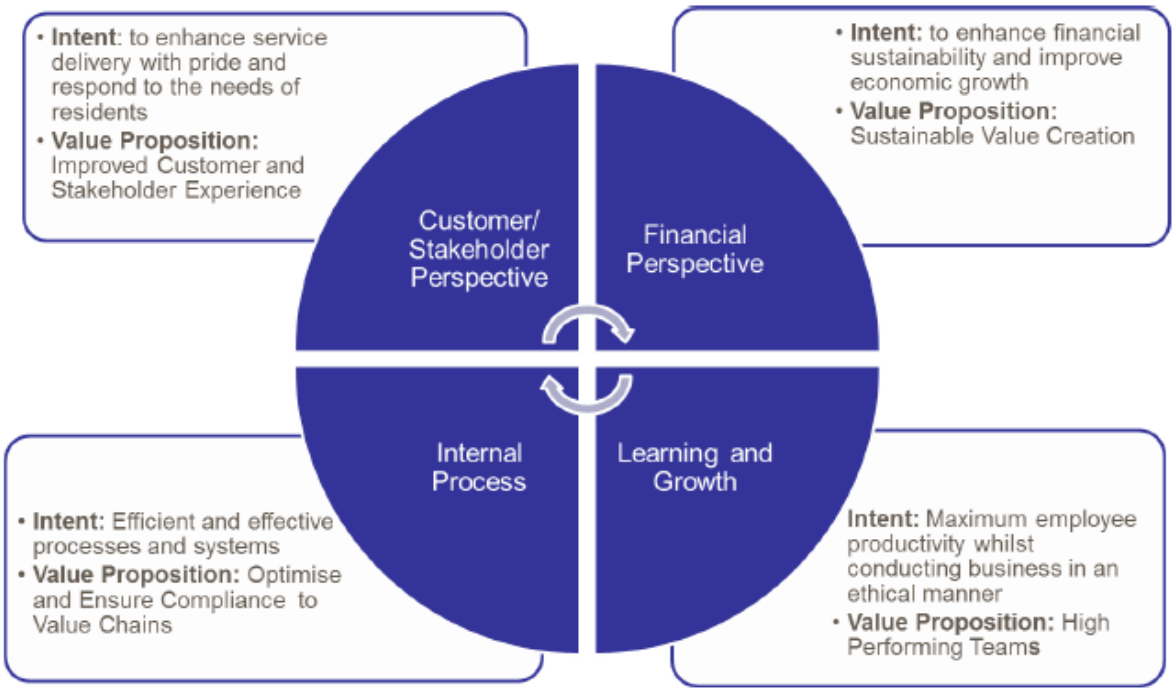


Figure 9: Balanced-Scorecard Methodology *Source: ABP 2017/18*

Financial Perspective

KPI	Target	Actual	Variance Explanation
31% Gross margin	31%	27.13%	The decrease in revenue and increase in bulk purchases resulted in the gross margin being less than the target.
95% Controllable Capex spend	95%	96.3%	Target achieved. The Year-end expenditure amounted to R692 million, which reflects R26 million underspending compared to the budget of R718 million.
17% Total losses	17%	23.89%	The target has not been achieved due to Poor Meter Reading and Revenue performance.

Customer/Stakeholder Perspective

KPI	Target	Actual	Variance Explanation
70% Reputation index	70%	46.79%	Target not achieved. The main drivers for the company's reputation are unplanned power interruptions and prolonged restoration times. Whilst the company endeavours to proactively communicate planned power interruptions, it is impossible to communicate unplanned power interruptions before they take place.
80% Achievement of SLS	80%	33.33%	There are **12** KPIs that form part of the SLS index. The KPIs are: • Average time taken for service connections for LPUs after payment; • Average restoration time for logged electricity supply failures to Traffic Signals. • Average time taken to resolve logged streetlight queries (Motorways & Main Arterials). • Average time to resolve logged streetlight queries (Secondary Roads & Area Lighting).

KPI	Target	Actual	Variance Explanation
			• % Collection levels • Roll out of 12 000 smart meters • Time taken for service connections for LPUs after payment. • Average restoration time for High Voltage network (> 33 kV) outages. • Average restoration time for all logged power failures. • Key Customer Meter reading rate. • Large Power Users Meter reading rate. • Domestic Meter reading rate.

Internal Process Perspective

KPI	Target	Actual	Variance Explanation
95% compliance with NRS048	95%	96%	NRS048 is a regulatory standard used to monitor the Quality of Supply in the South African electricity industry. This standard acknowledges that the Quality of Supply requirements differs between customer categories and per network type. The Quality of Supply (QOS) parameters to comply with as per the NRS 048 are Voltage Dips; Voltage Unbalance; Voltage Regulation, and Voltage Harmonics (HV sites only)
1000 public lights installed by City Power	1 000	1 374	The target for the year has been exceeded. Public lighting installation in several areas, including Meriting, Poortview, Protea South, Messi Park, Kalkfontein, Rivonia, Slovo Park, Diepkloof, Orlando West and Elias Motsoaledi.
810 informal settlements units (structures) with access to electricity	810	2 167	The target for the year has been exceeded. Electrification of informal settlements in several areas, including Organic market, Meriting, Devland, Elias Motsoaledi, Klipspruit Ext 11, Slovo Park and Alexandra.
5000 beneficiaries of job opportunities	5 000	1 736	In the past, only Capex-related work was used to determine the number.
24 205,7 Tons CO_2 offset in greenhouse gas emission	24 205.7	41 355.5	Target was exceeded. The output from a generation at the City's Landfill sites remains the most significant contributor towards our Diversified Energy Mix.
Clean Audit AG report	Clean Audit Report	Annual Target	Unqualified Audit Report with findings.
Clean Audit ISO report	Clean Audit ISO Report	Unqualified Audit with no major findings. (ISO transition 2015 version).	Annual Target (Clean Audit Report). The scheduled SABS Audits only commenced in October 2017, and the final report was released in November 2017, where the organisation got the unqualified Audit opinion with no significant findings.

Learning and Growth Perspective

KPI	Target	Actual	Variance Explanation
100% Leadership development plan achievement	100%	85%	The Leadership Strategy and Plan consists of 3 phases - Design, Deliver and Embed phases. The actual 85% pertains to 100% of the Design phase met up to May 2018, and a portion of the Delivery phase met in June 2018.
1% Learning Expenditure (1% of Payroll)	1%	1.43%	Within target for the year.
3.2 Employees Satisfaction Survey (Mean)	3.2 Mean	3.6 Mean	This is an annual target. The CoJ employee satisfaction survey results were presented to EXCO in February 2018. The results formed part of the Culture and Leadership Programme.
2.2% Lost time rate	2.2%	1.34%	This KPI includes Special Dispensation Sick Leave, Sick Leave, Unpaid Leave, and Family Responsibility Leave within the target.
13% Individual Absenteeism Frequency Rate	13%	9.89%	This KPI includes all leave types. Within target.
12% Job vacancy rate	12%-15%	14.21%	The financial year 2017/18 commenced with a 51-75 % vacancy rate. After the restructuring exercise, the staff establishment was reduced from 3592 to 1894 positions. The new vacancy rate range is between 12% and 15% to accommodate staff movements. The recruitment budget was centralised with the CEO and the GE: HR & Transformation. When a vacancy arises in a department, the budget is reallocated to the centralised budget that will be utilised to fill critical vacancies.
85% of Affirmative Action (AA) employees	85%	91.89%	The annual target has been exceeded. The actual for the year translates to 1 564 affirmative action employees out of 1 702 employees.
27% of Gender Equity (GE) employees	27%	28.26%	Annual target has been exceeded. The actual YTD translates to 481 female employees out of a total of 1 702 employees. A 5-year EE Plan was signed on 18/1/2018. The plan provides yearly plans of ensuring that women are appropriately represented at all levels.
2% of People with Disabilities (PWD) employees	2%	2.17%	Annual target has been exceeded. The actual YTD translates to 37 employees out of a total of 1 702 employees who have voluntarily declared their disabilities.

Table 10: Organisational Performance: 2017/18 *Source: AIR 2017/18*

Risk Management Plan: Strategic Risks

The strategic risks increased from six to nine following the strategy review process aimed at repositioning the organisation. The context of the risks is provided in the table below:

Risk	Context
1. Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance.	We are faced with possible supply interruption, customer impact, and negative financial implications. High failure rates and possible network collapse may negatively impact the economy of Gauteng.
2. High non-technical losses. Putting the financial stability and sustainability of City Power at risk.	We face increased competition, and our ability to compete, protect and drive revenue growth depends on effectively managing non-technical losses (such as cable theft). Inadequate management of this will result in increased network outages that impact customer usage and our reputation.
3. Escalation of theft and vandalism	Escalation of theft and vandalism of assets due to organised crime results in increased outages, restoration time and revenue loss.
4. Fraud and corruption activities due to unethical business practices.	Non-compliance to legislations, regulations and governance due to weak implementation of controls resulting in possible fines and penalties (financial), and loss of operating licence.
5. Inability of the business model to respond to disruptive forces	We face uncertainties in the market and changes in consumer behaviour due to economic factors. Insufficient investment in research and development, as well as inadequate funding for future initiatives, may further increase this risk.
6. Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate.	Challenges relating to non-optimal talent management, which might result in Critical skills shortage, High vacancy rate and Escalate cost of outsourced service, amongst other root causes.

Table 11: Strategic Risk Context: 2017/18 *Source: ABP 2017/18*

Risk Performance: Year End

The number of strategic risks increased in response to the risks identified in the risk assessment. The observations related to the strategic risk profile are tabled below:

#	Risk Description Risk Owner	Beginning of Year	End of Year	Average Implementation Progress %
1	Liquidity Risk: insufficient funds to meet its financial obligations in the short-term because of revenue decline and cash flow, which may compromise business operations, service delivery and financial sustainability. Finance Group	Very High	Very High	52%
2	Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance. Engineering Services Group	New	Very High	40%
3	Escalation of Theft and Vandalism. Engineering Operations Group	Very High	Very High	10.6%
4	High non-technical losses. Putting the financial stability and sustainability of City Power at risk. Metering Services Group	High	High	58%
5	High number of outages and poor technical performance as a result unavailability of the network and failure of equipment results in the loss of supply. Engineering Operations	New	High	48%
6	Fraud and corruption activities due to unethical business practices. Business Sustainability Group	High	High	22.9%
7	Inability of the business model to respond to disruptive forces. Strategy Department	High	High	36%
8	Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate. Human Resources Group	Moderate	Moderate	74%
9	Insufficient project capacity and projects that were stopped due to investigations could lead to delayed timelines, higher than anticipated costs, and poor performance during execution. Engineering Services Group	New	Moderate	50%
Average Risk Treatment Plan Implementation				**43.5%**

Table 12: Strategic Risk Rating and Treatment Plan Implementation: 2017/18 *Source: AIR 2017/18*

A critical process in risk management is identifying emerging risks and keeping them within sight before they materialise. The following four were the emerging risks identified in the financial year:

Risk	Risk Rating
City Power's failure to pay suppliers and contractors may result in severe reputational and legal risk.	High
The impact of in-sourcing security on City Power's operations and infrastructure.	Very High
Cyber security attacks.	High
Non-compliance risk.	High

Table 13: Emerging Risks: 2017/18 *Source: AIR 2017/18*

4.3.3. Financial Year 2018/19

Introduction

The VUCA 2022 Strategy was adequate for the entire financial year. This strategy had seven objectives, which informed the direction of the organisational KPIs set for the year. The objectives were as follows, and the accountable organisational group:

Objective 1: Re-energised, re-focused, and an ethical organisation (Human Resources and Transformation Group)
Objective 2: Strategy-driven, risk-intelligent and innovative organisation (Business Sustainability Group)
Objective 3: Safe secured smart grid (Enterprise Support Group)
Objective 4: Financial sustainability (Finance Group)
Objective 5: Revenue-driven customer-centric organisation (Metering Services Group)
Objective 6: Plant reliability (Engineering Operations Group)
Objective 7: Energy sustainability (Engineering Services Group)

The identified key drivers affecting the operating environment of the organisation and the need for a new strategy are depicted below:

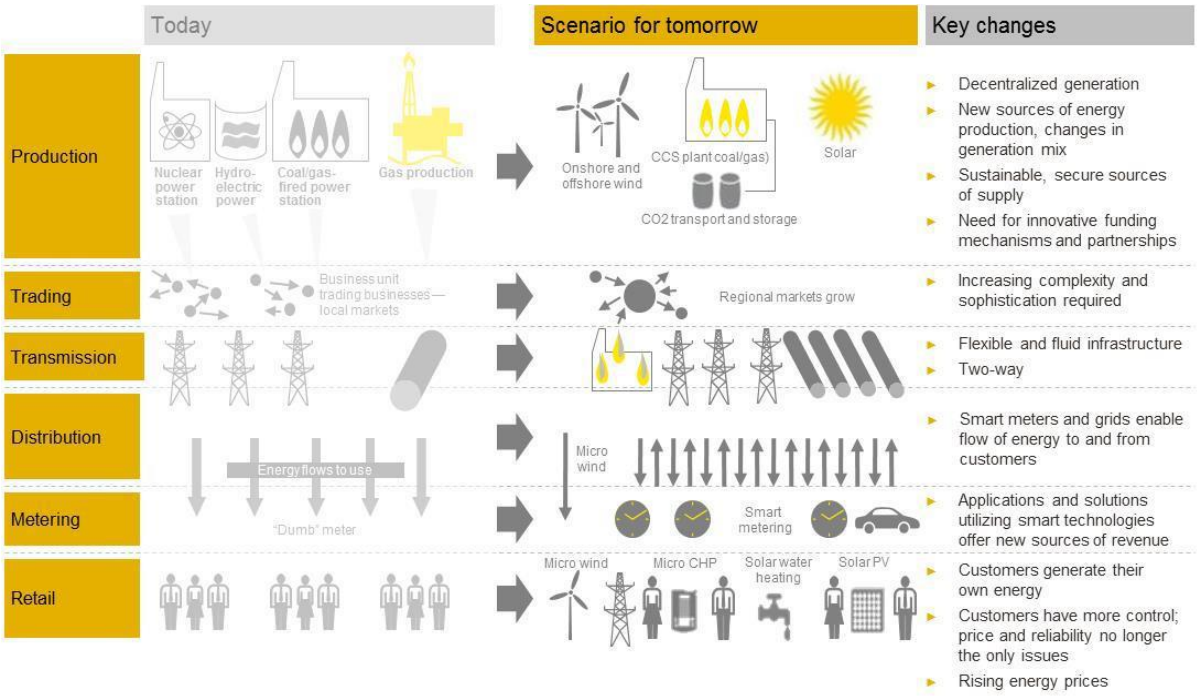


Figure 10: Scenarios of Key Industry Drivers for Change *Source: ABP 2018/19*

Essentially, this diagram symbolises the need for City Power to innovate in order to derive competitive advantage and turn threats arising from the disruptions into opportunities. The operating environment was changing faster than the pace at which City Power was, thus necessitating the development of VUCA 2022.

In order to deliver on the shift from the old way of doing things to a new way of doing things, the organisation organised itself into groups that ensured total accountability for each strategic objective. This resulted in a change in the business model, which is depicted in the figure below:

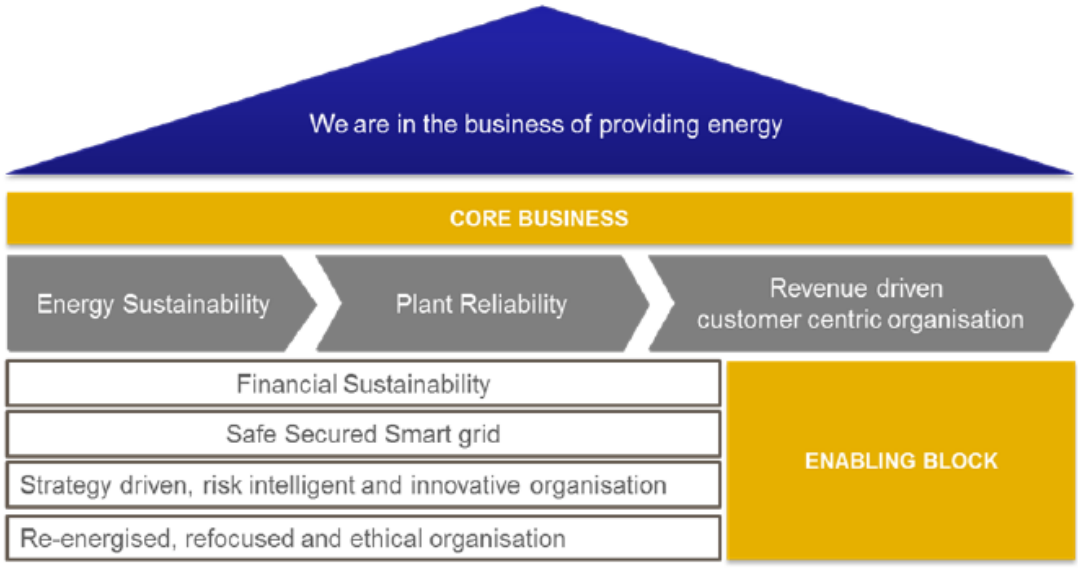


Figure 11: City Power Operating Model: 2018/19 *Source: ABP 2018/19*

The development of the new strategy and operating model was risk-based, and the Enterprise Risk Management unit was instrumental in the process.

KPIs: Organisational Delivery Strategy

The strategic objectives derived from VUCA informed the organisational KPIs and the accountability was placed with the respective Group Executives.

City Power Objective	Key Performance Indicator	Performance Target (KPIs)	KPI Actual
Re-energised, re-focused and ethical organisation Human Resources and Transformation	Percentage Vacancy Rate	12.00% Vacancy Rate	12.2%
	Average number of days that is taken to fill all critical vacancies	Average of 90 days is taken to fill all critical vacancies	79 days
	Percentage of Learning Expenditure as a percentage of Payroll	1% Learning Expenditure as a % of Payroll	1,21%
	Percentage of Leadership development plan achievement	100% of Leadership development plan achievement	100%
	Index: Employee Satisfaction (Mean)	Index: 3.2 Employees Satisfaction (Mean)	3,36
	Percentage of Employment Equity employees	85% of Employment Equity employees	92,42%
	Percentage of Gender Equity (GE) employees	27% of GE employees	30,83%
	Percentage of People with Disabilities (PWD) employees	2% of PWD employees	2,12%
	Percentage of employees who are receiving performance coaching as per the policy	100% of employees who are receiving performance coaching as per the policy	96%
	Resolution of disciplinary cases within 90 days	Resolve disciplinary cases within 90 days	91 days
Plant Reliability Engineering Services Group	Percentage of compliance to NRS048	95% of Compliance with NRS048	98,33%
	Percentage of spend on net asset value for preventative maintenance	7,46% of spend on net asset value for preventative maintenance	5.51%
Financial Sustainability Finance Group	Percentage of gross margin	31% of the gross margin	21.14%
	Percentage of total losses	19% of total losses	25.30%
	Percentage of Capex spent	95% of Capex spent	89%
	Number of SMMEs supported	100 SMMEs supported	255
	Percentage of operational budget (Opex) spent	95% of the operational budget (Opex) spent	84%
	Percentage of valid supplier invoices paid within 30 days.	100% of valid supplier invoices are paid within 30 days.	89%
Energy Sustainability	Tons CO_2 offset in greenhouse gas emissions	24 205.70 Tons CO_2 offset in greenhouse gas emissions	28 334.70

City Power Objective	Key Performance Indicator	Performance Target (KPIs)	KPI Actual
Engineering Services Group	Number of public (street) lights installed	2 000 public (street) lighting installed	2 009
	Number of informal settlement units (structures) with access to electricity	1 580 informal settlements units (structures) with access to electricity	3 191
	Beneficiaries of job opportunities	2 000 beneficiaries of job opportunities	1 243
	MWh from alternative sources	21,56 MWh from alternative sources	KPI not measured
	MWh of installed capacity of embedded generators	15 MWh of installed capacity of embedded generators	KPI not measured
	Percentage spent on Refurbishment	17% spent on Refurbishment	18%
	Percentage spent on infrastructure investment	31% spent on infrastructure investment	74%
	Monthly reporting into Capital Management System (iRIS)	80% of the monthly reporting into the Capital Management System (iRIS)	100%
Revenue Driven Customer Centricity Metering Services Group	Kilo Watt hour provided for Free Basic Electricity	100% of all qualifying homes receiving	100%
	Percentage of the Reputation Index	75% of the Reputation Index	91%
	Percentage achievement of the Service Level Standards (SLS)	80% achievement of SLS	83.33%
Strategy-driven, risk-intelligent and innovative organisation Business Sustainability Group	Percentage of the performance targets achieved	65% of the performance targets achieved	74.19%
	Percentage resolution of the Auditor General (AGSA) and Internal Audit findings as per the management comments	95% resolution of the Auditor General (AGSA) and Internal Audit findings as per the management comments	74%

Table 14: Organisational Performance: 2018/19 *Source: AIR 2018/19*

Strategic Risk Profile: Risk Description and Rating

At the beginning of the financial year, the strategic risk register was approved with eight strategic risks. By the end of the year, two risks were removed, three of the previously identified emerging risks were elevated to strategic risks, and an additional risk was included. The removed strategic risks were the following:

01. Inability of the business model to respond to disruptive forces;
02. Insufficient project capacity and projects that were stopped due to investigations, could lead to delayed timelines, higher than anticipated costs, and poor performance during execution.

This occurred as a consequence of improving the risk maturity to get the organisation

to become risk-intelligent by 2019. Additionally, a need was identified to redefine, set, and approve the organisation's risk appetite and tolerance levels.

The performance of risk management mitigation plans was as follows by the end of the year:

#	**Risk Description** **Risk Owner**	**Beginning of Year**	**End of Year**	**Average Implementation Progress %**
1	Liquidity Risk. Finance Group	Very High	Very High	70%
2	Escalation of theft and vandalism. Enterprise Support Group	Very High	High	83%
3	High non-technical losses. Putting the financial stability and sustainability of City Power at risk. Metering Services Group	High	High	50%
4	Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance. Engineering Services Group	Very High	High	61%
5	High number of outages and poor technical performance as a result unavailability of the network and failure of equipment results in the loss of supply. Engineering Operations Group	High	Moderate	36%
6	Failure to capitalise on new market opportunities to ensure business sustainability. Business Sustainability Group	*New*	High	41%
7	Fraud and corruption activities due to unethical business practices. Business Sustainability Group	*New: was an emerging risk*	High	72%
8	Non-compliance to legislation and company policies due to lack of enforcement of policies and SOPs. Business Sustainability Group	*New: was an emerging risk*	Moderate	24%
9	The impact of in-sourcing security on City Power's operations and infrastructure. Enterprise Support Group	*New: was an emerging risk*	High	49%
10	Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate. Human Resources & Transformation Group	Moderate	Moderate	64%
11	Cyber security threats. Enterprise Support Group	*New*	High	51%
Average Risk Treatment Plan Implementation				**54.6%**

Table 15: Strategic Risk Rating and Treatment Plan Implementation: 2018/19 *Source: AIR 2018/19*

4.3.4. Financial Year 2019/20

Introduction

In this financial year, there was a continuum of the VUCA 2022 Strategy, with the seven strategic priorities remaining, which inform the KPIs. The strategy implementation model for this financial year is depicted in the following image:

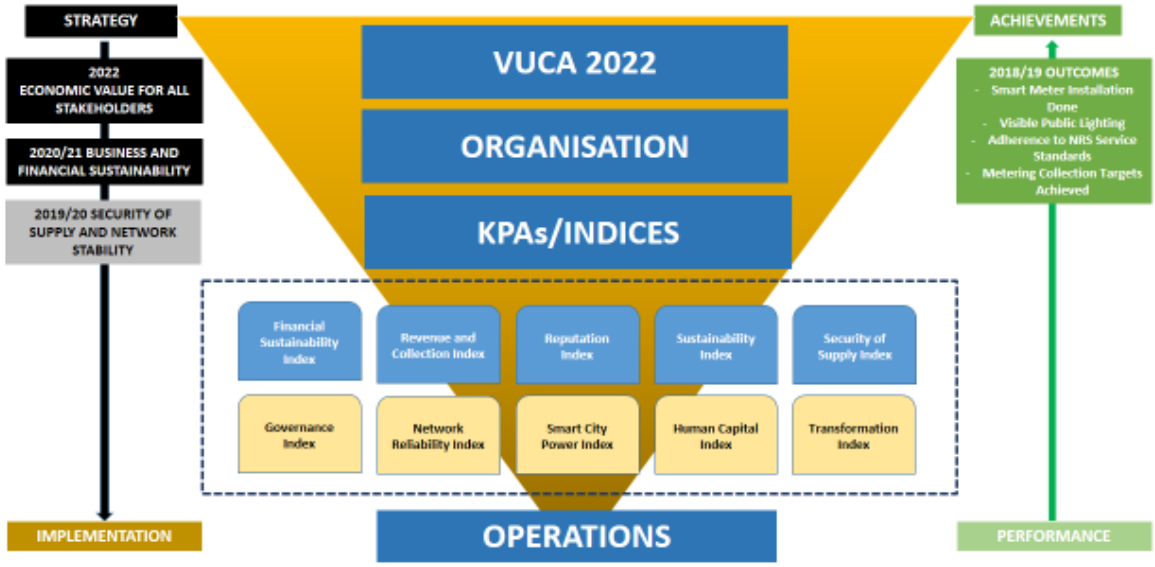


Figure 12: Strategic Implementation Outline *Source: AIR 2019/20*

The significant change was the development of Key Performance Areas (KPAs), which were created to make the strategic objectives operational and assign them to the functional groups.

KPIs: Organisational Delivery Strategy

The grouping of the KPIs for this financial year is allocated by where they come from.

KPIs Allocation	Number of KPIs	Comments
CoJ Institutional Indicators	9	These KPIs are meant to improve the CoJ's efficiency and effectiveness.
National Treasury Circular 88 Indicators	1	National Treasury released Circular 88, the Municipal Circular on Rationalisation Planning and Reporting Requirements for the 2019/20 MTREF, which all municipalities must comply with.
Upgrading Informal Settlements Programme	3	UISP indicators to ensure that City continues to benefit from the grant.
Service Level Standards	13	City Power appreciates the requirement for quality and availability, among other key service aspects, while delivering its services to the citizens.
Organisational KPIs	33	Strategic goals are broken down to achieve the ten indices.
Group Level KPIs	**60**	**KPIs: total to be consolidated under ten indices.**

Table 16: KPI Composition: 2019/20 *Source: ABP 2019/20*

The KPI performance for the year was as follows:

KPI No.	KPI	KPI Target	KPI Actual
1	Percentage of expenditure on an operating budget (Opex) against the approved operating budget	95.00%	93.00%
2	Percentage of valid supplier invoices paid within 30-days of the invoice date	100.00	99.83%
3	Percentage compliance with relevant legislation and policy prescripts	90.00%	96.30%
4	Percentage of the pre-determined objectives achieved	85.00%	67.27%
5	Percentage of the strategic risk management action plans implemented	75.00%	79.00%
6	Percentage of the resolution of Internal Audit (I.A.) findings	95.00%	78.00%
7	Percentage of the resolution of Auditor General (AGSA) findings	95.00%	66.00%
8	Percentage of expenditure on repairs and maintenance (R&M) to property, plant and equipment (PPE)	6.81%	6.33%
9	Percentage spent on capital budget against approved budget	95.00%	98.00%
10	Percentage of provision of Free Basic Electricity (FBE) as per ESP beneficiary list	100%	100%
11	Number of substations upgraded/developed	2	2
12	Number of substations under construction	9	10
13	Kilometres of electricity cables installed	40km	132.56km
14	Number of informal settlement units (structures) with access to electricity	2 000	3 688
15	Average number of days taken for conversion of prepaid smart meter	7	9
16	Percentage of resolution of logged calls of damaged electricity meters	95%	100%
17	Percentage resolution of logged walk-in queries per month	85%	95.45%
18	Percentage read of all meters as per CoJ download file and meters accurately read for billing at CoJ (98% overall accurate meter reading for domestic customers)	98%	90%
19	Percentage reading of all meters as per the CoJ download file and meters accurately read for billing at CJ (95% overall accurate metre reading for domestic customers)	85%	52%
20	Communication of planned service interruptions: 7 days before the interruption	100	100
21	Communication of unplanned service interruptions: Immediately	100	100
22	75% Reputation Index	75%	159%
23	Average hours taken to restore a loss of electricity supply to traffic signals	<18 hrs	9 hrs
24	Average time taken to repair streetlight queries logged (motorways)	<5 days	2.3 days
25	Average time that is taken to repair streetlight queries logged (secondary roads, main arterials and area lighting)	<8 days	5.2 days
26	Number of hours taken to restore power supply after a planned interruption	<8 hours	6.7 hours
27	30% restoration of power supply following a logged forced interruption within 1.5 hours	30%	33.7%
28	60% restoration of power supply following a logged forced interruption within 3.5 hours	60%	65.8%
29	90% restoration of power supply following a forced interruption within 7.5 hours	90%	85.4%
30	98% restoration of power supply following a forced interruption within 24 hours	98%	96.7%

KPI No.	KPI	KPI Target	KPI Actual
31	100% restoration of power supply following a forced interruption within seven days	100%	100%
32	Percentage achievement of Service Level Standards (SLS)	80%	70.59%
33	Percentage achievement of Business Sustainability Index	60%	75%
34	Percentage reduction in outages per annum	5%	7.82%
35	Percentage non-technical losses	17%	19.42%
36	Increased revenue from sales	16,171bn	15,890bn
37	Percentage collection level	88%	97.09%
38	Maturing security risk management	1.5	2.52
39	Percentage gross margin	28.52%	23.56%
40	Percentage net surplus margin	2%	0.42%
41	Percentage liquidity management	<100%	78%
42	Asset utilisation efficiency	0.90	0.83
43	Number of SMMEs supported	100	247
44	Percentage of expenditure on refurbishment in line with the target	18%	29%
45	Number of smart meter rollouts	6 800	6 838
46	Number of public lights installed	1 200	2 697
47	Percentage compliance of the monthly capital projects reporting into the Capital Management System (iRIS)	100	100
48	Percentage compliance to NRS048 (MV)	95%	96.89%
49	Number of EPWP (expanded public works programme) work opportunities created	800	802
50	Tons CO_2 offset in greenhouse gas emissions	41 355.5	33 163.4
51	Percentage vacancy rate	12%	14.06%
52	Employment equity ratios (EE)	85%	92.84%
52	Employment equity ratios (GE)	29%	32.02%
53	Employment equity ratios (PWD)	2%+	3.34%
54	Percentage learning expenditure on skills development as a percentage of total payroll	1%	1.2%
55	Percentage of employees receiving performance coaching as per the performance management policy	100%	100%

Table 17: Organisational Performance: 2019/20 *Source: AIR 2019/20*

Risk Management Plan: Strategic Risks

In this financial year, all indications suggest an increased appreciation for risk management, which is seen in the risk maturity curve depicted in Figure 13.

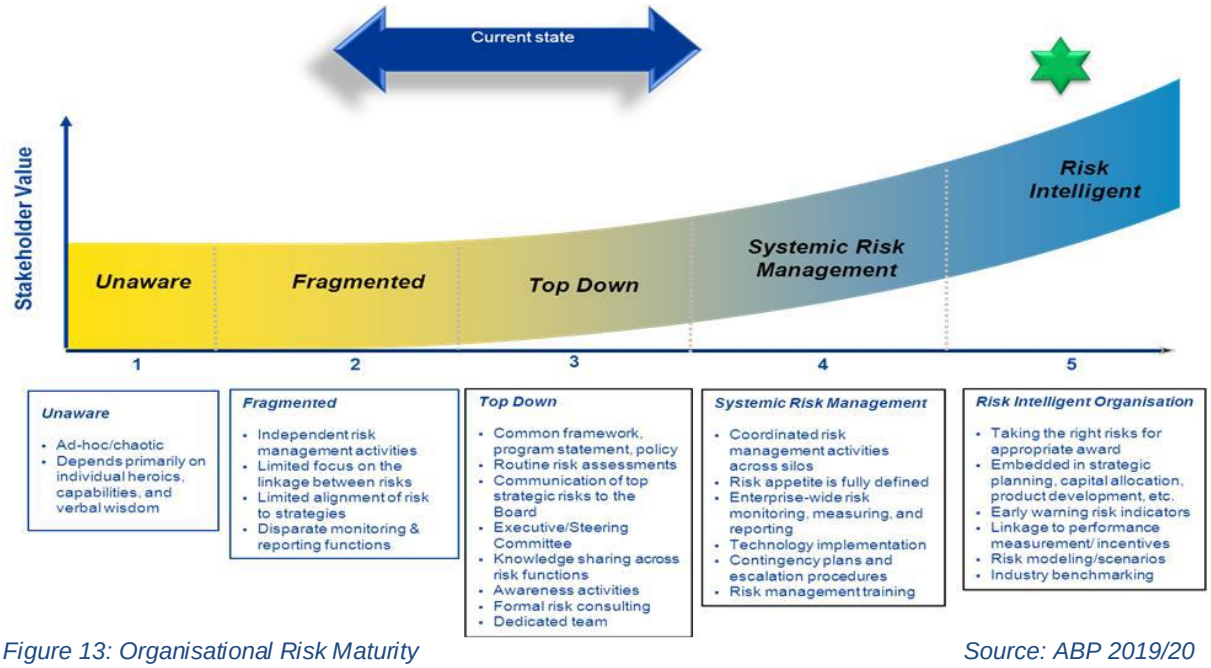


Figure 13: Organisational Risk Maturity *Source: ABP 2019/20*

The state of maturity suggests that the foundational risk management elements are understood and implemented. The organisation has matured to the third stage. However, the risk-related activities are applied inconsistently and not well-understood throughout the organisation, except only by management and a limited number of employees in specific business areas. As such, there are significant enhancement opportunities to ensure that the organisation moves to Stages 4 and 5 of the maturity curve. The focus for this financial year was a deliberate focus directed at positively influencing the risk culture through increasing the accountability of the respective risk owners.

The results of the implementation of the risk management mitigation plans were rated as follows in the financial year:

#	**Risk Description** **Risk Owner**	**Beginning of Year**	**End of Year**	**Average Implementation Progress %**
1	Liquidity Risk. Finance Group	Very High	Very High	65%
2	Reduction of non-technical losses. Metering Services Group	High	High	71%
3	Escalation of theft and vandalism. Enterprise Support Group	Very High	Very High	88%

#	Risk Description Risk Owner	Beginning of Year	End of Year	Average Implementation Progress %
4	Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance. Engineering Services Group	Very High	Moderate	97%
5	High number of outages and poor technical performance as a result unavailability of the network and failure of equipment results in the loss of supply. Engineering Operations Group	Moderate	High	86%
6	Failure to tap into new markets to attract new customers ensure business sustainability. Business Sustainability Group	High	High	68%
7	Fraud and corruption activities due to unethical business practices. Human Resource & Transformation Group	High	High	88%
8	Non-compliance to regulatory and policy requirements. Business Sustainability Group	Moderate	Moderate	80%
9	The impact of in-sourcing security on City Power's operations and infrastructure. Enterprise Support Group	High	High	74%
10	Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate. Human Resource & Transformation Group	Moderate	Low	79%
11	Cyber security Threats. Enterprise Support Group	High	Very High	71%
Average Risk Treatment Plan Implementation				**79%**

Table 18: Strategic Risk Rating and Treatment Plan Implementation: 2019/20 *Source: AIR 2019/20*

4.3.5. Financial Year 2020/21

Introduction

The incumbent Chief Executive Officer was suspended during the financial year, resulting in a leadership vacuum. There was increased political instability as the political guard changed again from the Democratic Alliance to the African National Congress within the CoJ Local Municipality.

Organisational Performance KPIs

The number of KPIs reduced to a more manageable number of 33, consistent with the years preceding the last one. The organisation had seven strategic objectives that

drove City Power to be customer-centric. The objectives were as follows:

01. Improve, stabilise, and sustain a favourable financial position.
02. Diversify City Power's energy mix.
03. Develop and maintain a reliable network infrastructure asset.
04. Invest in innovation and smart utility technologies.
05. Foster a transformed and conducive work environment for high performance.
06. Provide a positive customer experience.

The KPI performance for the financial year was as follows:

Category	KPI No.	KPI	Target	Actual
SLS	1	Percentage achievement of Service Level Standards (SLS)	80%	47.06%
UISP	2	Number of substations upgraded or developed	2	2
	3	Kilometres of electricity cables installed	22	95.28
	4	Number of informal settlement units (structures) with access to electricity	1 225	2 467
National Treasury (Circular 88)	5	Number of dwellings provided with connections to the mains electricity supply by the municipality	1 225	2 467
	6	System Average Interruption Duration Index (SAIDI)	<25 hr	48.47
	7	Customer Average Interruption Duration Index (CAIDI)	<6 hr	6.10
	8	Percentage of Planned Maintenance Performed	30%	38.09%
	9	System Average Interruption Frequency Index (SAIFI)	<5.5 hr	7.95 hr
	10	Customer Average Interruption Frequency Index (CAIFI)	<2 hr	8.36 hr
	11	Installed capacity of approved embedded generators on the municipal distribution network	4 MVA	7.86 MVA
	12	Percentage of total electricity losses	<25.50%	28.90%
Institutional Indicators	13	Percentage spent on operating budget against the approved operating budget	95%	84.58%
	14	Percentage spent on capital budget against the approved capital budget	95%	91%
	15	Percentage spent on repairs and maintenance to property, plant and equipment.	7%	5.7%
	16	Percentage reduction in unauthorised, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50%	0%
	17	Percentage resolution of Audit findings: Internal Audit	100%	76%
	18	Percentage resolution of Audit findings: AGSA	80%	75%
	19	Percentage of the strategic risks' management action plans implemented.	90%	81%
	20	Number of SMMEs supported by the City	120	259
CP Indicators	21	Revenue derived from the sale of electricity (Increased Revenue Recovery from Sales)	R16,971 billion	R16,400 billion
	22	Percentage in Non-Technical Losses (Percentage reduction in Non-Technical Losses)	16.5%	20.9%
	23	Percentage Gross Margin	24.56%	21.69%

Category	KPI No.	KPI	Target	Actual
	24	Number of public lights installed	600	1 691
	25	Percentage protection against cyberattack	97%	70%
	26	AGSA Audit opinion	Unqualified audit	Unqualified audit
	27	Percentage Compliance with relevant legislation and policy prescripts	100%	91.58%
	28	Percentage of valid invoices paid within 30 days	100%	100%
	29	Tons CO_2 offset in greenhouse gas emissions	24,205	25,981
	30	EPWP job opportunities created	1 000	600
	31	Employment equity ratios (EE)	85%	93.48%
	32	Employment equity ratios (GE)	29%	34.21%
	33	Employment equity ratios (PWD)	2%	2.9%

Table 19: Organisational Performance: 2020/21 *Source: AIR 2020/21*

Key Strategic Risks Performance

With the constant embedding of risk management into the organisation and the maturity levels increasing, the strategic risks were aligned to the strategic objectives set in the 2019/20 financial year and carried through into this financial year.

#	Risk Description Risk Owner	Strategic Objectives	Beginning of Year	End of Year	Average Implementation Progress %
1	Liquidity Risk Finance Group	1 and 6	Very High	Very High	72%
2	High non-technical losses. Putting the financial stability and sustainability of City Power at risk. Metering Services Group	1 and 6	High	High	74%
3	Escalation of theft and vandalism. Enterprise Support Group	4 and 6	Very High	Very High	67%
4	Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance. Engineering Services Group	2, 3, 4 and 6	Moderate	Moderate	89%
5	High number of outages and poor technical performance as a result of unavailability of the network and failure of equipment results in the loss of supply. Engineering Operations Group	1, 4 and 6	Moderate	High	71%
6	Failure to tap into new markets to attract new customers ensure business sustainability. Business Sustainability Group	1, 2, 3 and 6	Moderate	High	90%

#	Risk Description Risk Owner	Strategic Objectives	Beginning of Year	End of Year	Average Implementation Progress %
7	Fraud and corruption activities due to unethical business practices. HR & Transformation Group	1 and 6	High	High	89%
8	Non-compliance to legislation and company policies due to lack of enforcement of policies and SOPs. Business Sustainability Group	6	Moderate	Moderate	83%
9	Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate. HR & Transformation Group	6 and 7	Moderate	Low	93%
10	Cyber Security Threats. Enterprise Support Group	5	Very High	High	82%
Average Risk Treatment Plan Implementation					**81%**

Table 20: Strategic Risk Rating and Treatment Plan Implementation: 2020/21 *Source: ABP 2020/21*

4.3.6. Financial Year 2021/22

Introduction

This financial year was the final year of implementing the VUCA 2022 Strategy. The operating environment of City Power continued to pose the challenges which were identified over the five years of the strategy. A revision of the strategic objectives ensued, thus subsequently influencing KPIs. For the second year, the strategic risk register aligned itself with the strategic objectives, a progressive move in embedding risk management in the strategy-setting process.

Organisational Performance KPIs

At the commencement of the financial year, there was a total of 32 KPIs. During the year, the following 2 KPIs were removed, leaving a total of 30:

- Percentage of households with access to electricity (EE1.1)
- Number of informal settlement units (structures) with access to electricity

Strategic objectives were developed once again for this financial year. There were amendments to the objectives in comparison to the previous financial year. The objectives were determined to be the following:

01. Improve, stabilise, and sustain a favourable financial position.

02. Diversify City Power's energy mix (new objective).

03. Develop and maintain a reliable network infrastructure asset.

04. Invest in innovation and intelligent utility technologies (revised objective).

05. Foster a transformed, conducive work environment for high performance (revised objective).

06. Provide a positive customer experience (new objective).

The KPI performance for the financial year was as follows:

Obj.	KPI No.	KPI	Target	Actual
1	1	Percentage operating budget spent against approved budget	95%	91%
1	2	Percentage reduction of the UIFWE	50%	69%
1	3	Number of SMMEs supported	120	277
1	4	Percentage of repairs and maintenance on property, plant and equipment	7%	6.01%
1	5	Percentage of strategic risks management action plans implemented	85%	94%
1	6	Percentage of valid invoices paid within 30 days	100%	100%
1	7	EPWP job opportunities created	800	802
1	8	Percentage of expenditure on capital budget against the approved capital budget	95%	100%
1	9	Percentage resolution of Audit findings (AGSA only)	80%	80%
1	10	Unqualified AGSA audit opinion	Unqualified Audit Opinion	Unqualified Audit Opinion
1	11	Net Profit Margin	4%	-4.69%
1	12	Total Debt to Asset Ratio	0,34%	0,45%
1	13	Percentage of total electricity losses (EE4.4)	22,4%	29.5%
1	14	The revenue value of LPU meters not read	<R97m	R10m
2	15	Installed capacity of approved embedded generators on the municipal distribution network (EE4.12)	4MVA	7.86MVA
2	16	Energy mix Index	100%	100%
3	17	Number of dwellings provided with a connection to the mains electricity supply by the municipality (EE1.11)	3,200	5,769
3	18	System Average Interruption Duration Index (EE3.1)	<25hrs	75.01hrs
3	19	Customer Average Interruption Duration Index (EE3.2)	<5.5hrs	7.39hrs
3	20	Percentage of planned maintenance performed (EE3.21)	30%	77.14%
3	21	System Average Interruption Frequency Index (EE3.3)	<5.5hrs	10.15hrs
3	22	Customer Average Interruption Frequency Index (EE3.4)	<5.5hrs	11.04hrs
3	23	Percentage achievement of Service Level Standards (SLS)	80%	50%
3	24	Installation of Public Lights	1,000	1,034
3	25	Kilometres of electricity cables installed	23km	81.7km

Obj.	KPI No.	KPI	Target	Actual
3	26	Percentage of valid customers applications for new electricity connections processed in terms of municipal service standards (EE1.13)	95	73%
4	27	Smart Utility Index	100	100
5	28	Transformation Index	100	135.52
6	29	Percentage of logged unplanned outages restored power within the industry standard time frame of 24 hours	98%	98.48%
6	30	Stakeholder Management Index	70%	48.17%

Table 21: Organisational Performance: 2021/22 *Source: AIR 2021/22*

Key Strategic Risks Performance

The exact number of strategic risks remained at the end of the year as there were at the beginning of the year. The risk maturity level and risk management appreciation are evidenced by the strategic risks developed in alignment with the organisation's strategic objectives. This signals an embedding and appreciation of Enterprise Risk Management in the strategy-setting process. Furthermore, five brand-new strategic risks were elevated to the risk register.

#	Risk Description Risk Owner	Strategic Objectives	Beginning of Year	End of Year	Average Implementation Progress %
1	Liquidity Risk. Finance Group	1	Very High	Very High	100%
2	Legal and Regulatory Non-Compliance Risk, Assurance and Compliance Group	2	Very High	Very High	100%
3	Disruptive Technologies. Energy Management Group	3	Very High	Very High	80%
4	Cyber Attack Threats. Enterprise Support Group	3	High	Very High	100%
5	Loss of supply to customers. Groups: Engineering Operations, Engineering Services, Metering Services	3	High	Very High	100%
6	Failure to retain current and secure new customers. Energy Management Group	2 & 3	High	High	67%
7	Destruction of ecosystems and neglect of the Green Economy. Energy Management Group	3	High	High	100%

#	Risk Description Risk Owner	Strategic Objectives	Beginning of Year	End of Year	Average Implementation Progress %
8	Fraud and Corruption. Human Resource & Transformation Group	2	Moderate	High	94%
9	Governance failure. Risk, Assurance & Compliance Group	2	Moderate	Moderate	100%
10	Lack of critical skills and resources. Human Resource & Transformation Group	4	Moderate	Moderate	100%
Average Risk Treatment Plan Implementation					**94%**

Table 22: Strategic Risk Rating and Treatment Plan Implementation: 2021/22 *Source: AIR 2021/22*

4.4. CONCLUSION

In this chapter, the study investigated the organisational performance for six financial years, from 2016/17 to 2020/22. A discussion of pertinent changes that affected the organisation's operating environment was explored. The strategic risk registers, risk ratings, and risk treatment plan performance were presented. In the next chapter, an analysis of the data collected and presented in this chapter will be discussed, as well as the impact of risk management on organisational performance.

CHAPTER FIVE: ANALYSIS AND DISCUSSION OF RESULTS

5.1. INTRODUCTION

In this chapter, the results of the data collected and presented in Chapter 4 are analysed and discussed as per the research questions in Chapter 1. These results will be dissected according to organisational performance and risk management and subsequently triangulated to perceive if there is a correlation between the two. Finally, a review of supporting literature is considered in the discussion to triangulate the findings.

5.2. RESULTS ANALYSIS

5.2.1. High-Level Presentation of Results

Organisational Performance for the Year

The performance over the studied period displays a pattern of improvement in the first three years, followed by a sharp decline in the latter two years. The early positive results experienced seem to indicate that the VUCA Strategy adopted and implemented delivered some good results. In the 2019/20 financial year, a 77% increase in KPIs measured from 31 to 55 appears to have contributed to the decline. A deduction can be made that the executive management instability and other factors contributed to the sharp decline in performance to comparable levels experienced in the 2017/18 financial year.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total KPI's	30	33	31	55	33	30
Achieved KPI's	11	22	24	37	14	18
% Performance	36.67%	66.67%	77.42%	67.27%	42.42%	60.00%
Year-on-Year Performance Improvement / (Decline)		**81.8%**	**16.1%**	**(13.1%)**	**(38.0%)**	**41.44%**

Table 23: 6 Years Organisational Performance Comparison

Risk Performance Analysis

The application of the ISO 31000 standard on Enterprise Risk Management, as discussed, is consistent throughout the study period. A gradual application, acceptance, embedding and maturity of risk management processes in the organisation is evident in the reporting and the trajectory seen in the implementation and analysis of the risk treatment plan implementation. Over the six years analysed, there was a 408% increase in implementing the risk treatment plans.

The accountability of the risks is assigned to the specific Group Executives, who assume the role of risk owners. Subsequently, they delegate it to their respective General Managers to drive the implementation of the risk treatment plans. The treatment plans are developed in a process facilitated by the Enterprise Risk Management department, with the ownership of the risks remaining with the risk owners. The rating of the strategic risk at each reporting period, including the final rating at the end of the financial year, is directly responsive to implementing the risk treatment plans in the risk register.

Strategic Risks	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Risk Rating and Treatment Plan Implementation Percentage					
Liquidity Risk: City Power may have insufficient funds to meet its financial obligations in the short term due to revenue decline and cash flow, which may compromise planned business operations, delivery of the mandate and financial sustainability.		VH	VH	VH	VH	VH
		52%	70%	65%	72%	100%
High non-technical losses. Putting the financial stability and sustainability of City Power at risk.	H	H	H	H	H	
	17%	58%	49.53%	71%	74%	
Escalation of Theft and Vandalism.	VH	VH	VH	VH	VH	
	8%	10.6%	83%	88%	67%	
Capital budget constraints lead to the inability to implement asset renewal, asset refurbishment and expansion, leading to poor service delivery due to low network performance.	VH	VH	H	M	M	
	22%	40%	61%	97%	89%	
High number of outages and poor technical performance as a result of unavailability of		H	M	H	H	VH

Strategic Risks	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Risk Rating and Treatment Plan Implementation Percentage					
the network and failure of equipment results in the loss of supply.		48%	36%	86%	71%	100%
Fraud and corruption activities due to unethical business practices.	H	H	H	H	H	H
	10%	22.9%	72%	88%	89%	94%
Insufficient human capital capability, capacity and commitment to ensure effective delivery of the organisational mandate.	M	M	M	L	L	
	18%	74%	64%	79%	93%	
Inability of Business Model to respond to disruptive forces	H	H	H			
	36%	36%	41%			
Cybersecurity threats due to high exposure of the vulnerable City Power network as a result of under-investment.			H	VH	H	VH
			51%	71%	82%	100%
Failure to tap into new markets to attract new customers ensure business sustainability.				H	H	
				68%	90%	
Non-compliance to legislation and company policies			M	M	M	VH
			24%	80%	83%	83%
The impact of in-sourcing security on City Power's operations and infrastructure.			H	H		
			49%	75%		
Insufficient project capacity and projects that were stopped due to investigations could lead to delayed timelines, higher than anticipated costs, and poor performance during execution.		M				
		50%				
Disruptive Technologies						VH
						80%
Failure to retain customers and secure new customers						H
						67%
Destruction of ecosystems and neglect of the Green Economy						H
						100%
Governance failure: Absence of quality management systems and value chains						M
						100%
Lack of critical skills						M
						100%
% Implementation of Risk Treatment Plans	18.5%	42.7%	54.6%	79%	81%	94%
Year-on-Year Performance Improvement / (Decline)		131%	27.9%	44.7%	2.5%	16%
Number of Strategic Risks	6	9	11	11	10	10

Strategic Risks	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Risk Rating and Treatment Plan Implementation Percentage					
Rating of Strategic Risks						
- Very High	**2**	**3**	**2**	**3**	**2**	**5**
- High	**3**	**4**	**6**	**5**	**5**	**3**
- Moderate	**1**	**2**	**3**	**2**	**2**	**2**
- Low	**0**	**0**	**0**	**1**	**1**	**0**

Table 24: 6 Years Strategic Risks Rating and Analysis Comparison

The subjective nature of risk assessment and ratings informs the number of identified risks that the organisation considers strategic in a financial year. For the type of industry that City Power operates in, some risks are inherent, whilst others are specific to the operating environment. The risks emanating from non-technical energy losses are a fundamental risk for the organisation, partly due to the theft and vandalism of the infrastructure, resulting in the risk being very high. The other part of this results in the inability of the organisation to raise sufficient revenue due to the high losses. The financial challenges brought about by the inability to raise revenue are amplified by the low payment levels by customers, which brings about liquidity risks.

Over the course of the six years of the study, a total of eighteen unique strategic risks have been approved by the Board. This indicates the fluidity of the operating environment (external risks) and the internal risks facing the organisation. Of critical concern is the risk that cuts across the entire 6-year period, which relates to unethical business practices resulting in fraud and corruption. This is followed strongly by the risk of network unavailability resulting in loss of supply to customers. This risk affects the organisation's ability to not only deliver on its core mandate of power supply but also the ability to meet revenue generation targets, leading to the liquidity risks that continue to plague the organisation. The financial year 2021/22 presented five brand-new strategic risks facing the organisation, which will be discussed in the analysis below.

Throughout the study, the Enterprise Risk Management process is consistently implemented according to the requirements of the relevant legislations and standards at City Power.

5.3. APPLICATION OF THE ISO 31000 RISK MANAGEMENT STANDARD

The ISO 31000 standard was progressively applied throughout the study with cumulative positive effects. A sense of maturity was prevalent year-on-year, enabled by more appreciation from the organisation's risk management staff. The risk maturity assessment in Chapter 6 sets to predict where the maturity levels would be in the 2022/23 financial year.

5.4. IMPACT OF ENTERPRISE RISK MANAGEMENT ON ORGANISATIONAL PERFORMANCE

5.4.1. Financial Year 2016/17

During this financial year, there was a change in political leadership following the Local Government Elections, which led to the Democratic Alliance assuming office from the African National Congress. Historical trends consistently indicate that such transitions and political instability affect economic growth.

The organisational performance was determined to be 36.67%, the lowest in the six years studied. With five of the six risks rated high and very high, only one is rated moderate. The low number of strategic risks is attributed to the fact that risk management was still being introduced into the organisation, and the discipline was gradually integrated into the organisation.

There was no Enterprise Risk Management KPI at the organisational level for this financial year, and the performance calculation is placed on the strategic risk register, where the implementation of the treatment plans is evaluated and the implementation performance calculated. The average implementation percentage of the various treatment plans was a dismal 18.5%. Given that some of the risks were already assessed and flagged to affect the operations and performance of the organisation adversely, the low implementation of the risk treatment plans can be considered to have affected the organisational performance.

In assessing and comparing the two, there is a correlation between the percentage implementation of the risk treatment plans and the KPIs that were not achieved.

5.4.2. Financial Year 2017/18

The introduction of the VUCA 2022 Strategy seems to have been a positive factor towards the upward movement of the overall organisational performance to 66.67% for the financial year. This is an 81% year-on-year improvement from the previous financial year. The adoption of the VUCA Strategy also resulted in the introduction of additional strategic risks to the register. Further to those additions, emerging risks were also identified.

There was an improvement in implementing the risk mitigation plans from 18.5% to 42.7%, a staggering 131%. Stemming from the adoption and implementation of the VUCA Strategy, and as much as the implementation performance of the mitigation plans improved, critical observations related to the City Power strategic risk profile were the following:

01. Some strategic risk treatment plans are long-term before they can modify the likelihood or consequence of the risk in the medium or the short term.
02. Some risk treatment plans were reactive, and their resilience can only be tested when certain risk events arise.
03. The shortage of funding to implement specific critical treatment plans has deferred some initiatives, resulting in the risk ratings remaining unchanged.
04. The mitigation plan controls are mainly reactive and not preventative controls.
05. The risk management planning workshops involved cross-functional teams who assisted in interrogating the risks in a manner that gave rise to new risk causes, and this assisted in developing additional and effective risk treatment plans.
06. There was alignment with treatment plan targets and organisational KPIs, including the integration of risk into the business planning and strategy development process, with this being a positive development in increasing the inclusion of risk management into organisational processes.

5.4.3. Financial Year 2018/19

A subsequent improvement in organisational performance was realised, with a 16.1% year-on-year performance improvement, leading to a 77.42% achievement. Despite the number of KPIs measured reducing from 33 to 31, the number of KPIs achieved

increased from 21 to 24. The reduction in the number of KPIs resulted from deviations to remove and consolidate specific redundant KPIs.

The number of strategic risks increased by 2 to 11 as the organisation continued to appreciate risk management's importance and embed it into its processes. The implementation of the risk treatment plans also increased, which is consistent with the previous two years. Moving from 42.7% to 54.6%, the idea of risk ownership by the respective Group Executives was getting embedded, with the accountability of the risk profile remaining with the Chief Executive Officer.

Despite implementing the risk mitigation plans, the ratings of the risks did not improve from the beginning to the end of the year. However, the increase in implementing the risk mitigation plans coincides with improved organisational performance.

5.4.4. Financial Year 2019/20

A fundamental growth of 71% in the number of KPIs was seen in this financial year. There was a shift in the application of the VUCA Strategy. This shift gave rise to 10 themes in how the KPIs are organised. The KPIs started at 60 at the beginning of the year but ended at 55 following the deviation of other KPIs through consolidation and removal. The organisational performance declined from 77.42% in 2018/19 to 67.27%.

Similar to the increase in the number of company KPIs, the number of approved strategic risks of the organisation also increased to 11. In addition, a shift in the appreciation of Enterprise Risk Management was experienced during this year, to the extent that the implementation of the risk mitigation plans was elevated to becoming a KPI measured at the company level, contributing to the overall organisational performance. The targeted performance was 75% for the year, and the final KPI was 79%. This was an improvement of 44.7% year-on-year.

Despite an increase in the implementation of the risk mitigation plans, the organisational performance reduced significantly. The scattered focus of performance indicators and grouping them into KPIs seemed to have an adverse effect, resulting in a change in the trend that was prevalent for the previous three years.

5.4.5. Financial Year 2020/21

In this financial year, the organisation's strategic direction was to focus on transitioning from being an electricity distributor to an energy provider. The KPIs measured reduced to pre-2019/20 numbers (33). Inspite of the reduction of the KPIs, a sharp drop in organisational performance from 62.27% to 42.42% was experienced due to 19 KPIs not being achieved. The underperforming KPIs were mainly service delivery and finance related. This performance is the lowest in four years.

A KPI for implementing strategic risk mitigation plans was again measured at the company level for the second consecutive year. The actual performance improved by 2.5% compared to the previous year, increasing the performance to 81%. As much as the performance was better than the previous year, it fell short of the targeted performance of 90%. The increase in the performance target signalled a growing focus on risk management and mitigation of risk through implementing plans.

5.4.6. Financial Year 2021/22

This financial year marked the last of the 5-year VUCA 2022 Strategy. A review of the strategic objectives occurred, again influencing the KPIs in place. The second objective, to diversify City Power’s energy mix, was supported by initiatives that included hosting the Energy Indaba. The Indaba’s objective was to meet private sector players in the energy space and solicit solutions for the provision of alternative sources of energy.

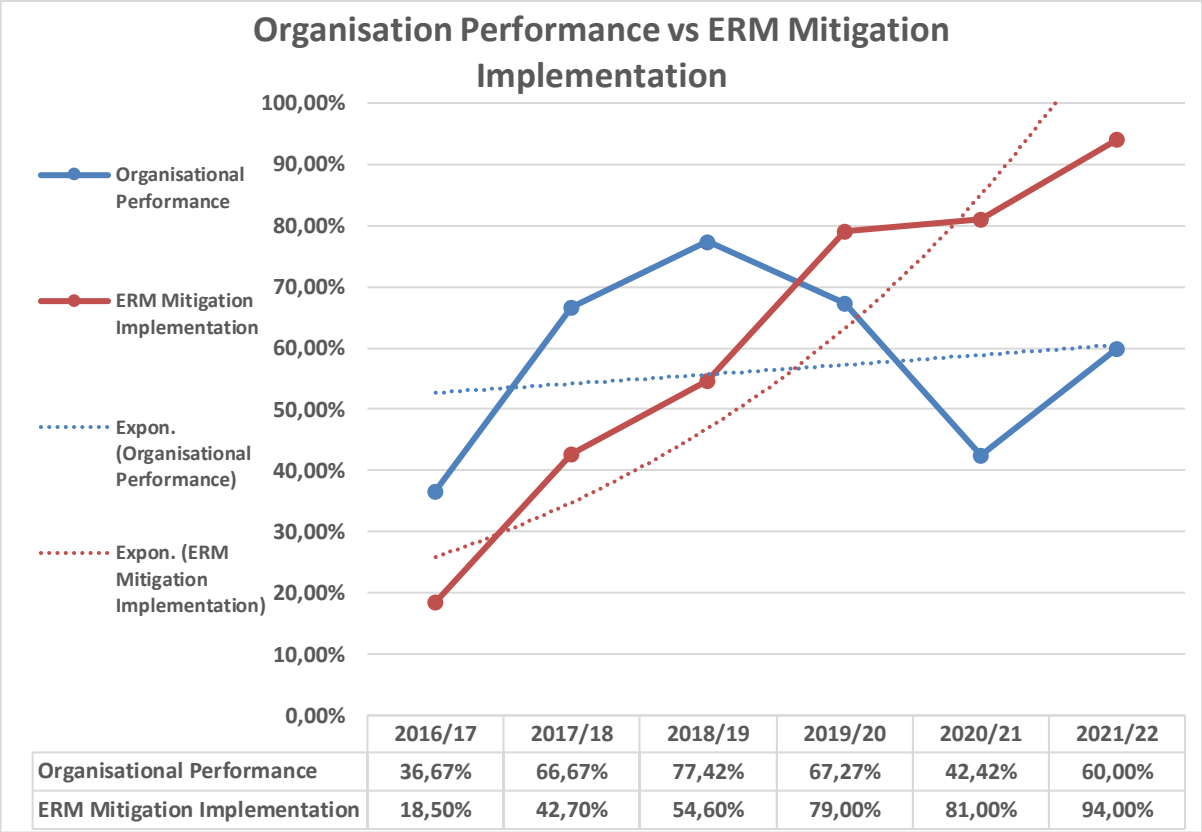
The Enterprise Risk Management KPI performed at its highest ever at 94%. This indicates a growth in the application of risk mitigation strategies and could also be considered an increase in the maturity of risk management understanding. The KPI on Risk Management continued to be measured at the company level, with ten strategic risks identified for the year. Of the ten strategic risks, five brand new strategic risks facing the organisation were identified and tracked for the year.

The organisational performance trend improved by 41.44% from the previous financial year to 60%; a positive upturn of performance following a two-year decline. The performance improvement followed the upward movement trend found in ERM

performance.

5.5. 6-Year Integrated View and Performance Summary

The graph below visually represents the annual movement of the two compared variables in the study. Despite the increased implementation of plans, the question of their effectiveness in impacting performance arises, which will be explored in the next section.



	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Organisational Performance	36,67%	66,67%	77,42%	67,27%	42,42%	60,00%
ERM Mitigation Implementation	18,50%	42,70%	54,60%	79,00%	81,00%	94,00%

Graph 1: Organisation Performance vs ERM Mitigation Plan Implementation

The first three years indicate a positive correlation between organisational performance and Enterprise Risk Management with the intensified application and implementation of risk mitigation plans. However, a trend change was experienced in the 2019/20 financial year, where an improvement in ERM mitigation plan implementation was not met with the same performance, with this trend continuing in the 2020/21 financial year. Unlike the first three years of the study, where organisational performance was greater than the ERM plan mitigation, the decline in organisational performance in years four and five led to ERM performance being higher than the organisational performance. The exponential shape of the ERM curve

outperforms the organisational performance curve, which signals that ERM's maturity is growing in the organisation.

5.6. FINDINGS LINKED TO LITERATURE

The results indicate that a rigorous performance planning process is undertaken under the guidance of the shareholder and all the stakeholders. There is immense consultation with all parties to ensure that the performance plans meet the objectives and expectations necessary for service delivery. This process confirms Shipley and Kovac's (2008) assertion that sound performance results from sound governance and consultation, referring to the ability of all stakeholders to undertake regular and comprehensive reviews of progress towards objectives and adequately respond to the goals.

The KPIs of the organisation are developed and directed towards performance in public service delivery, human capital management, capital and operational assets management, and financial management. In their paper, Mishra *et al.* (2014) state that it is a common tradition for organisations to dominantly focus on financial performance and neglect other important areas in the organisation's operating environment.

It was earlier discussed that acceptance of Enterprise Risk Management in organisations is strengthened by the value that employees see and understand. The study by Chen *et al.* (2019) reveals that companies in the finance sector in Taiwan that had implemented ERM processes reported an increased value, but importantly, an improvement in their core business, which is revenue generation whilst achieving cost efficiencies. The adoption and implementation of ERM and risk treatment plans resulted in a three-year consecutive growth of organisational performance. In the latter two years, a drastic drop in performance was experienced, and the organisation's resilience to political instability was questioned.

Sound corporate governance practices are in place throughout the study by the organisation. These practices comply with the legislative requirements of the Companies Act 2008 and the guidelines of the Kind IV Code of Corporate Governance, which require that a Board of Directors and an Audit Committee should be in place at all times as a minimum requirement. The presence of these two structures can be seen

as the key driver for effective ERM implementation, which the study by Lam *et al.* (1997) found to be essential for effective governance. Oversight structures bring a sense of stability that ensures that performance is driven and accountability is required from management to avert a crisis before it materialises, as mentioned by Johnson *et al.* (2000, p. 146).

Summarily, it is prudent to recognise that applying ERM and organisational performance is closely tied to good corporate governance. The Audit and Risk Committee approves all the strategic risks within the organisation, whilst the Board also approves the organisation's performance objectives and KPIs. As a state-owned entity, adherence to the MFMA is upheld as expected. This is also confirmed by Elahi (2009), who states that good governance relates to the performance of governments, which are the political institutions responsible for exercising the state's executive power.

In the study conducted by Taylor (2000, p. 111), he concludes that there is a correlation between strategic planning and organisational effectiveness. This is evidenced when the organisation's performance improved yearly between 2016/17 and 2018/19. The latter years of this research were marred by political and management instability, confirming the inverse of this study. Therefore, this suggests that good strategic planning leads to high organisational performance.

5.7. CONCLUSION

This chapter analysed the research results collected and split them between organisational performance and risk management. The impact of ERM on organisational performance was then discussed, with the chapter concluding with reference to the literature supporting the findings.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1. INTRODUCTION

In this chapter, the conclusion of the study is discussed. The research questions in Chapter 1 and the related findings are presented at a high level. Additionally, the recommendations, limitations and suggestions for future research are presented.

6.2. RESEARCH QUESTIONS AND FINDINGS

The research questions are discussed, and the significant findings are unpacked.

6.2.1. What Is the Impact of Implementing the Risk Management Plans on the Achievement of Organisational Targets?

The implementation of risk management plans is crucial to ensuring the long-term success of an organisation and can have a positive impact on achieving organisational targets. The risk management plans and systems are consistently implemented throughout the study. The study reveals that implementation alone is insufficient to attain organisational targets.

6.2.2. Is There a Correlation Between Achievements of Organisational Goals and Risk Mitigation Plans Implemented?

The data collected indicated a positive correlation between the risk mitigation plan implementation and the performance for the second and third years analysed. The drop in performance in the fourth year can be attributed to the unprecedentedly high number of KPIs the organisation had set to perform against, which were subsequently reduced in the fifth year. Despite the reduction, the organisational performance trend continued to decrease, whilst the ERM mitigation plan implementation continually increased, eventually outperforming organisational performance. With the exception of years four and five of the study, years one, two and three display a positive correlation where organisational performance outpaced ERM, and year six also displays that correlation, even though ERM now outperforms organisational performance.

6.2.3. Is the Enterprise Risk Management Process Implemented According to the Requirements of the Relevant Legislations and Standards at City Power?

There is a demonstrable consistent application of the ISO 31000 Enterprise Risk Management standard throughout the study period. Commencing with the framework utilised to conduct the risk assessments, followed by the risk rating matrix (heat map) and application of the risk mitigation monitoring tools, it is evident that best practice with regard to implementation of the ISO 31000 standard is applied. As expected by the shareholder, the legislation and reporting requirements are also met.

6.3. CONCLUSIONS OF THE STUDY

This has been an interesting study to conduct. Having been employed by City Power for over 20 years, I had never thought of the effect of risk management on organisation performance until I conducted this study. Even though the rhetoric of risk-based strategy development has been spoken ad-infinitum throughout the years, it was not until I studied the business plans and the annual reports that I somehow witnessed what was mooted all along. It is not because the concept of risk-based strategy was successfully implemented but because the written text in the reports mentioned it. Surprisingly, the literature I reviewed confirmed that good organisational performance is underpinned by solid risk management considerations in the strategy development stage, influencing performance planning and targeting.

Having been exposed to the enterprise risk management discipline in my role as Business Performance Manager for five years as at the submission of this research, as well as taking a keen interest in risk management as a discipline, it is that backdrop that led me to explore whether the successful implementation of risk management has any impact on overall organisational performance.

Elaborate and detailed business plans are only as successful as they are implemented, and importantly, if not all the risks are mitigated, the plan may not be realised.

The first objective was to understand the impact of implementing risk mitigation plans on the organisation. The findings in years four and five have interested me as they

indicated that risk mitigation alone is insufficient to influence organisational performance positively.

The results of the second objective revealed a correlation between the effective ERM implementation and organisational performance in all but the two years, where ERM implementation performance eventually exceeded organisational performance in the sixth year.

The third objective of the research was to establish whether ERM is effectively applied in the organisation according to the ISO standards and legislative requirements as expected. This objective was met with a positive result as it was discovered that ERM is effectively applied in the organisation.

6.4. RECOMMENDATIONS

The recommendations are based on the comprehensive data assessment following the analysis of the results. Some of these recommendations have been previously made to the organisation's management. However, they have not been implemented.

6.4.1. Risk Management as a Performance Deliverable

Implementation of risk management is only possible if the organisation's staff members execute it. Having effective systems in place which need to be adhered to, to ensure their usefulness can only be realised if the necessary people perform the expected duties to ensure that they are successfully implemented. Despite the marked increase in the implementation of risk mitigation plans, it is commonly done at the last minute; it is more done for compliance.

To increase understanding and ensure implementation, the recommendation is for risk management plan implementations to be included in the individual performance compacts of those identified as the responsible people. After that, the managers of those individuals will assess their performance and score them as prescribed by the performance management tool used in the organisation.

6.4.2. Improving The Maturity to Become a Governance and Compliance Risk Conscious Organisation

Increased robust engagement with the owners of the risks, increased accountability and practical application of the risk management framework should be embedded as part of business as usual. This will propel the organisation to the systemic and risk-intelligent stages. The risk appetite and risk tolerance will also need to be reviewed.

With risk disclosure being an integral part of internal assurance services, City Power will quarterly report and appraise all the critical structures on risk performance across the City Power risk universe.

6.4.3. Focused Enhancements of the Elements of the Risk Framework

Using the Risk Management framework presented in Chapter 4, an improvement on its weaker areas of the elements provides an opportunity to improve the overall maturity of risk management in the organisation. The root causes for weaknesses in the elements are mentioned below, and the recommended turnaround plans are provided.

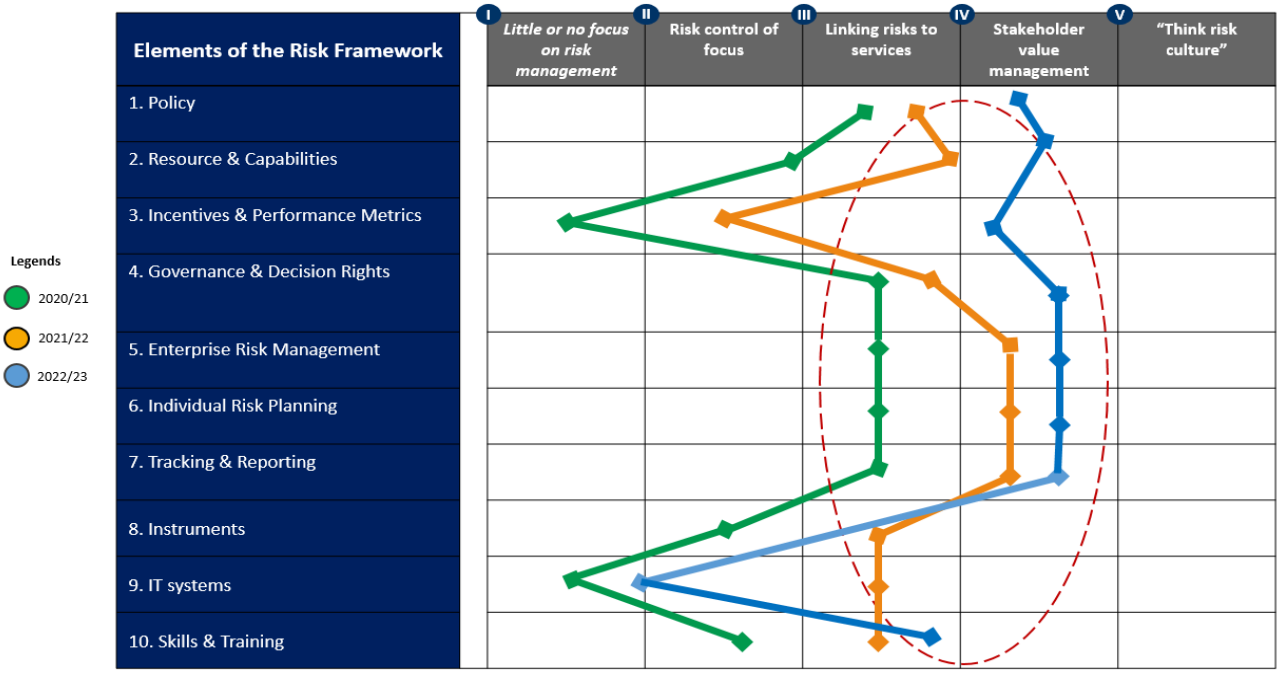
Elements of the Risk Framework	Root Causes	Recommended Turnaround Plans
Resource & Capabilities	▪ Currently, the ERM function is severely under-staffed to meet the expectations of ERM objectives and adequately manage the risks facing City Power. ▪ The risk function is capacitated with only three permanent resources, one GIT and a secondment. ▪ As a result, there have been some delays in	▪ Human resources and Exco must allocate a budget to fill the critical vacancies in the approved ERM structure. Vacancies in the recruitment plan. ▪ ERM will recommend the resources needed to have an adequate Risk Management organisation. ▪ Ensure that the BPM obtain the appropriate skills in order to best utilise them as risk champions.

Elements of the Risk Framework	Root Causes	Recommended Turnaround Plans
	compiling operational risks, completing departmental risk assessments, and Business Continuity Management. ▪ Operational risks have not been fully covered across the business. ▪ Departmental risks have not been adequately identified and assessed. ▪ Risk assessments for projects and Capex risks have not been appropriately assessed, and project managers require training in the project risk assessment. ▪ Slow implementation of risk surveys leading to possible suspension of cover.	▪ The setup clearly defined roles and activities for Risk Representatives/ Champions from different departments/divisions and links to the ARC. ▪ Internal Audit to collaborate more proactively with ERM on high-risk audit findings and emerging risks as part of Combined Assurance. ▪ Project plan to prioritise risk surveys with CAPEX allocated for high exposure fire risks and building of bund walls at substations. Currently at 68% Implementation.
Incentives and Performance	▪ Risk Management Performance was only centralised within the ERM function, although it was a Company KPI.	▪ The most significant transformation has been the compacting of ALL Group Executives on the risk KPI. ▪ Group Executives (GEs) present their risks at internal Governance Oversight Structures. ▪ Risk Treatment Plans have been broken down into quarterly KPIs, and they are monitored monthly. ▪ Control Self Assessments are in place and signed off by each GE. ▪ A risk monitoring tool was

Elements of the Risk Framework	Root Causes	Recommended Turnaround Plans
		developed to facilitate the proper dialogue at EXCO. ▪ An Insurance Claims KPI was developed for the relevant groups to reduce the backlog of non-validated costs
Instruments	▪ Currently, there are no instruments for measuring the risk indicators.	▪ ERM team to define the IT business requirement to build in early risk detections - Controls and methods to identify according to effectiveness cost-benefit analysis. ▪ New instruments may need to be considered to include risk indicators to be integrated into the risk register. ▪ This will include advanced modelling of risk data and indicators such as insurance claims, asset information or profile, number of incidents to allow for forecasting and a more objective view of the risks.
IT Systems	▪ There is no IT System tool for capturing, evaluating, defining mitigating measures, reporting, or monitoring. ▪ All the risk management processes are manual, utilising Excel spreadsheets and manual dashboards.	▪ The ERM team, with the help of IT, will determine the appropriate Enterprise Risk Management solution to acquire as a tool. ▪ The team is in the process of defining Insurance Dashboard Requirements. ▪ The risk management team should define the IT business requirement to enhance risk management to improve reporting capability and analysis.

Table 25: Risk Framework Improvement Recommendations *Source: CP ERM Improving Risk Maturity*

The graph below summarises the risk maturity assessment for 2020/21 and 2021/22. I believe that if the recommendations are implemented, the maturity levels will be as indicated by the 2022/23 graph line, resulting in the organisation ultimately becoming a fully risk-intelligent organisation.



Graph 2: Risk Maturity Projection for 2023 *Source: CP ERM Improving Risk Maturity*

6.4.4. Strengthening of the Combined Assurance Model and Framework

Combined assurance between all the assurance units at all levels increases the accountability of the organisation's units and ensures a united and familiar voice and vision when engaging with the business. The three assurance-providing units within City Power are Enterprise Risk Management, Compliance Management, and Internal Audit.

The current operating model falls short of its expected effectiveness and impact, and a revision of it to strengthen and align its efforts will have positive results, ultimately leading to improved organisational performance.

6.5. LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDIES

Below is a discussion of the study's limitations and suggestions for future research.

6.5.1. Limitations

The study used secondary data in the form of annual integrated reports and business plans to answer the research objectives and reach the conclusions. There was no personal engagement with the organisation's personnel to confirm some of the information in the utilised data and to understand whether the findings of the lack of maturity were real or perceived.

The study took on a quantitative method for research, with the results being analysed to address the research objectives. The study did not delve deep into the qualitative aspect of the data to look into the effectiveness of the ERM mitigation plans, nor did it look into the effectiveness of the KPIs.

6.5.2. Suggestions for Future Research

An excellent point to start future research would be to conduct future studies by focusing on the current study's limitations. Practically, this approach could be deemed as follows:

- Conducting interviews and/or doing questionnaires with the risk owners to establish the level of understanding, appreciation and maturity of risk; and
- Ascertain the effectiveness of the risk implementation plans in reducing risks from the respondents.
- A combination of quantitative and qualitative methods should be investigated for future studies, where the actual risk mitigation plans are intensely interrogated for their effectiveness and what elements are implemented.

Literature that examined the relationship between risk management and performance was for research conducted in countries outside the African continent, in the private sector and different industries. A suggestion would be to replicate such studies in the context of City Power in the same manner that these have been conducted.

As risk management is still a growing discipline within City Power, therefore a repeat of this study can be performed in the next five years when the anticipated levels of risk maturity will be higher within the organisation. The effect of the implementation plans, coupled with the maturity and appreciation of the discipline, may impact the organisational performance differently.

With City Power operating in a highly politicised environment with such high political volatility, a final suggestion for future studies would be to look into the impact of the politics of the CoJ political landscape on organisational performance despite sound risk management in place. This suggestion is made because there is a probability that the political instability in years five and six of this research may have contributed to the change in organisational performance.

6.6. CONCLUSION

In the previous chapter, the recommendations of actions that can be taken in response to the study's findings were made. The limitations encountered in conducting the study were also discussed. Finally, suggestions for future studies that can be undertaken to enhance this study and other topics surrounding this topic are also presented.

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