

DEPARTMENT OF CORRECTIONAL SERVICES

2022 STRATEGIC PLANNING SESSION

RISK ENVIRONMENTAL SCANNING

DRAFT 2023/24 STRATEGIC RISK FOCUS



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

Table of contents

- ▶ **Purpose & Objective**
- ▶ **Internal & External Risk Factors**
- ▶ **Risk Indicators**
- ▶ **Managing Strategic Risk**
- ▶ **Draft 2023/24 Strategic Risk Focus**
- ▶ **Risk Response**
- ▶ **Conclusion**

Purpose & Objective

- ▶ High performing organization's set clear and realistic objectives, develop appropriate strategies aligned to the objectives, understand the intrinsic risks associated therewith and direct resources towards managing such risks on the basis of cost benefit principles.
- ▶ The DCS environment is fraught with unique challenges such as inadequate capacity, excessive bureaucracy and silo mentality, limited resources, competing priorities and infrastructure backlogs, non-compliance issues, consequence management to mention a few. Such dynamics increase the risk profile of the Department as a whole and place an extra duty of care on managers to contain risks within acceptable limits
- ▶ The DCS, environment is the foundation of risk management, providing the underpinning culture, discipline and structure that influence how strategy and objectives are established, how Institutional activities are planned and executed and how risks are managed. The DCS, risk environment was scanned with the basic purpose to help management to better determine the future strategic direction of the Department and to ensure an inclusive, comprehensive risk identification and to identify risk factors through considering both internal and external factors,
- ▶ This, environmental scanning represents a broad view approach as compared to surveillance of a specific or narrow sector or objective. It is a vital means of helping management to plan the organization's future actions. These external factors could include systemic risks, emerging risk areas, or other external factors such as regulation and the “black swan” events.
- ▶ PESTELLE, analysis is the technique used for environmental scanning for consideration and to alert the management of the Department in the gathering, use, and monitoring of the DCS environment, internal and external, to detect potential threats toward its future plans.

INTERNAL RISK FACTORS

- ▶ **Stability** (financial health or financial resources, funding /source of revenue; management stability, branding stability)
- ▶ **Organisational structure** (structural deficiencies, job positions, hierarchy, ageing work force, labour turnover, communication and reporting lines)
- ▶ **Politics and mismanagement**(internal politics, lack/inadequate controls)
- ▶ **Human-factor Risk** (personnel issues or staff welfare, ineffective management or leadership)
- ▶ **Physical risk resources** (equipment's, facilities, location, loss or damage to the assets)
- ▶ **Strategy and policies risk** (Strategy and internal policies alignment)
- ▶ **Technological Risk** (ICT infrastructure & security, operating systems/ applications, ICT ability or disruptions, downtimes; investing in ICT/GITO staff to support the business, server and software problems; financial cost for ICT; governance processes)
- ▶ **Innovation**(Lack of innovation)
- ▶ **Incentives** (right incentives and reward schemes, fairly and appropriately, eg performance bonuses and the implementation of OSD)

EXTERNAL RISK FACTORS USING THE PESTLE TECHNIQUE

- ▶ **Political Factors:** (Executive Authority prioritise, government policies & laws, international/ environmental laws)
- ▶ **Economic Factors:** (Economic outlook/ Changes in the economy, budget cuts, prevailing interest rates, unexpected loss of revenue)
- ▶ **Social Factors:** (Population growth, rising levels of unemployment and levels of crime and inequalities)
- ▶ **Technological Factors:** (Innovation and the growth of technology in the DCS space, DCS to keep up with evolving technology, 4IR etc)
- ▶ **Legal Factors:** (Changes in laws and legislation, litigations, health and safety guidelines etc)
- ▶ **Environmental Factors:** (Climate change, new environmental laws, natural disasters)

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 1: Administration (HR)			
SR 1	High performing ethical organization.	Improve Human Resource capacity and management to enable the Department to fulfil its mandate.	<ol style="list-style-type: none">1. Ageing workforce.2. Automation of Human Resource Management business processes.3. Staff reduction/High staff turnover.4. Misalignment of organisational structure to business processes and service delivery model.5. Staff low morale/ psychosocial support.6. Disproportional shift patterns.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 1: Administration (Finance)			
SR 2	High performing ethical organization.	To provide effective and efficient financial and supply chain management (SCM) services.	1.Continuous changes to financial reporting frameworks/ SCM prescripts(BBEE/ PPPFA changes) 2. Automation of finance and SCM processes. 3. Inadequate Finance and SCM skills. 4.Reduced fiscus. 5. Negative audit outcome. 6. Exploring partnership with NPA /SIU (zero tolerance to corruption) 7. Financial irregularities/ non-compliance

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 1: Administration (GITO)			
SR 3	High performing ethical organization.	To create business value through provisioning of reliable integrated and secured ICT infrastructure and business application system to ensure effective strategic alignment and enhancement of business processes.	<ol style="list-style-type: none">1. Backup and recoveries2. ICT disruptions/downtimes.3. High exposure to cyber threats.4. Unreliable ICT data and security information.5. Slow implementation of the ICT projects.6. Misalignment of business needs and ICT project planning and implementation.7. Unexplored artificial intelligence4th industrial revolutions.8. Cost of ICT connectivity.9. ICT dependencies (Sita)

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 1: Administration (Facilities)			
SR 4	High performing ethical organization.	Facilitate the provision of community corrections offices, including satellite offices and service points to enhance community reintegration.	<ol style="list-style-type: none">1.Overcrowding on facilities.2. Increase in socio-economic issues (High unemployment level, crime and poverty).3.Dilapidated infrastructure.4.Disfunctional security systems (escape, assault, etc).5.Reviewing of the parole systems.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 2: Incarceration			
SR 5	'Outcome 1: Improved safety and security of inmates, officials ,stakeholders, assets and information.	Provide safe and secure conditions for inmates, consistent with human dignity.	<ul style="list-style-type: none">1.Overcrowding on facilities.2. Increase in socio-economic issues (High unemployment level, crime and poverty).3.Dilapidated infrastructure.4.Security lapses / breaches5.Disfunctional security systems (escape, assault, smuggling of contrabands etc).5.Reviewing of the parole systems.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 2: Incarceration			
SR 6	Outcome 3: Improved access to rehabilitation and developmental interventions	Provide physical infrastructure that supports safe custody, humane conditions and the provision of correctional and development programmes, care and general administration.	<ol style="list-style-type: none">1. Ageing infrastructure (Facilities reached its lifespan).2. High dependency on consulting engineers/ implementing agent (inadequate engineering skills sets)3. Compromised safety wellbeing of employees and inmates.4. Exploring the PPPs contracts arrangements.5. Restriction by devolution policy(Office of the Accountant General)6. Water scarcity (loss of crops and livestock).7. Energy scarcity8. Natural disasters.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 2: Incarceration			
SR 7	Outcome 5: Healthy incarcerated population.	Ensure effective and efficient remand detention system consistent with human rights in a safe and secure environment.	<ol style="list-style-type: none">1. overcrowding of RD facilities (shared risks)2. dilapidated facilities.3. Bail protocols.4. Records management framework.5. Inadequate case management systems.6. Gender mainstreaming and Cross cultural dynamics.7. International/ SADC/AU protocols etc.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 2: Incarceration			
SR 8	Improved safety and security of inmates, parolees and probationers, officials, stakeholders, assets and information.	Provide safe and secure conditions consistent with human dignity through effective administration and management of offenders.	<ol style="list-style-type: none">1. Overcrowding on facilities.2. Increase in socio-economic issues (High unemployment level, crime and poverty).3. Dilapidated infrastructure.4. Security lapses/ breaches5. Disfunctional security systems (escape, assault, smuggling of contrabands etc).6. Reviewing of the parole systems

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 3: Rehabilitation			
SR 9	Increased access to needs-based rehabilitation programmes to improve moral fibre	Provide needs-based correctional programmes targeting offending behaviour based on the Correctional Sentence Plans (CSPs). The aim is to raise awareness, provide information and develop life skills.	1.Misalignment of correctional programmes with markets needs. 2.Outdated sets of curriculum on life skills/education.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 3: Rehabilitation			
SR 10	Increased access to needs-based rehabilitation programmes to improve moral fibre	'Provide offenders with needs-based programmes and interventions to facilitate their rehabilitation and personal development	1.Misalignment of personal development and rehabilitation with markets needs. 2.outdated sets of curriculum on life skills/education.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 3: Rehabilitation			
SR 11	'Increased access to needs-based rehabilitation programmes to improve moral fibre	Manage and ensure the rendering of needs-based psychological, social work and spiritual services to inmates and persons under correctional supervision with the aim of improving health and emotional wellbeing and assisting in their rehabilitation and reintegration into the community.	1.Inability to provide adequate access to psychological, social work and spiritual services to inmates and persons under correctional supervision. 2.Conducive learning environment 3.Possible Outbreaks, re-infection and pandemics on rehabilitation programmes

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 4: Care			
SR 12	Outcome 5: Healthy incarcerated population	Provide inmates with appropriate nutritional services during the period of incarceration.	<ul style="list-style-type: none">1. Inadequate supply of appropriate nutritional requirements.2. possible litigation.3. Self-sufficiency & sustainability4. Possible Outbreaks, re-infection and pandemics5. Political unrest / riots / protest

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 4: Care			
SR 13	'Outcome 4: Successful reintegration of all those under the care of the Department	'To ensure that inmates are provided with appropriate access to healthcare and hygiene services.	1.Possible Outbreaks, re-infection and pandemics. 2.Increase in communicable diseases.

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 5: Social Reintegration			
SR 14	Successful reintegration of all those under the care of the Department	Provide effective supervision of offenders placed under correctional and parole supervision in order to enhance public safety	<ol style="list-style-type: none">1. Abscondment/ parole violation2. Exploring partnership with local authorities/ traditional leaders/NPOs (criminal justice cluster).3. Spatial planning.4. Recidivism/ reoffending4.Reports on violations5. Community protest6.Possible Outbreaks, re-infection and pandemics7. Political unrest/ riots

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 5: Social Reintegration			
SR 15	Successful reintegration of all those under the care of the Department	Provide and facilitate support systems for the reintegration of offenders into society.	<ol style="list-style-type: none">1. Exploring partnership with local authorities/ traditional leaders/NPOs (criminal justice cluster).2.VOD and VOM3.Community protest4.Possible Outbreaks, re-infection and pandemics5. Political unrest/ riots

Risk Indicators

	Strategic Outcome	Strategic Purpose	Risk factors
Programme 5: Social Reintegration			
SR 15	Successful reintegration of all those under the care of the Department	Facilitate the provision of community corrections offices, including satellite offices and service points to enhance community reintegration.	1. Exploring partnership with local authorities/ traditional leaders/NPOs (criminal justice cluster). 2. Spatial planning.

Managing strategic risk

- ▶ Define business strategy and objectives;
- ▶ Establish key performance indicators (KPIs) to measure results;
- ▶ Identify risks that can drive variability in performance;
- ▶ Establish key risk indicators (KRIs) and tolerance levels for critical risks;
- ▶ Provide integrated reporting and monitoring;

Draft 2023/24 Strategic Risk Focus

- ▶ Risk on Overcrowding (the rising numbers and its impact on the DCS operations)
- ▶ ICT Risk (Cyber security, ICT infrastructure, data integrity, IT disasters, equipment/ systems failures, IT modernization and backup-solution)
- ▶ Security Risk (Security breaches, incidents, contrabands in our facilities)
- ▶ HR Risk (staffing; structural deficiencies, business processes, service delivery model and departmental mandates)
- ▶ Financial Risk (Financial health; reprioritisation, fraud, unauthorised, irregular and fruitless and wasteful expenditure)
- ▶ Self-Sufficiency & Sustainability Risk (resourcing)
- ▶ Business Continuity Risk (black swan events, disasters, reduced water levels and energy availability ;water scarcity and renewable energy)
- ▶ Change Management (Organisation culture)
- ▶ Reputational Risk (reputational damage, public perceptions, negative publicity)
- ▶ Safety, Health and Environment Risk (health and safety of staff; legal ,compliance and regulatory perspective)

Risk Response

- ▶ Risk response is concerned with developing strategies to reduce or eliminate the threats and events that create risks.
- ▶ Risk response should also make provision for the exploitation of opportunities to improve the performance of the Institution.
- ▶ Responding to risk involves identifying and evaluating the range of possible options to mitigate risks and implementing the chosen option.
- ▶ Management should develop response strategies for all material risks, whether or not the management thereof is within the direct control of the Institution, prioritising the risks exceeding or nearing the risk appetite level.
- ▶ Where the management of the risk is within the control of the Institution, the response strategies should consider:

Risk Response

- ▶ **Avoiding the risk** by, for example, choosing a different strategy or terminating the activity that produces the risk;
- ▶ **Treating the risk** by, for example, implementing or improving the internal control system;
- ▶ **Transferring the risk** to another party more competent to manage it by, for example, contracting out services, establishing strategic partnerships and buying insurance;
- ▶ **Accepting the risk** where cost and strategy considerations rule out alternative strategies; and
- ▶ **Exploiting the risk** factors by implementing strategies to take advantage of the opportunities presented by such risk factors.

Conclusion

“The key to risk management is never putting yourself in a position where you cannot live to fight another day” Richard Fuld Jr

“NAGANELA PELE- THINK AHEAD”