

HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD
[REG. No: 2011/001221/07]

POLICY: BUSINESS CONTINUITY POLICY

Administrative Responsibility:	Office of the Chief Executive Officer
Implementing Department / Departmental Unit	Corporate Services Department Internal Audit Risk Management Company Secretary

BUSINESS CONTINUITY POLICY / PLAN (applicability: Officials of Harry Gwala Development Agency (Pty) Ltd)

POLICY DOCUMENT CONTROL

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Version	Author	Date	Revised Date
V1	Corporate Services Manger	02 February 2024	13 February 2024

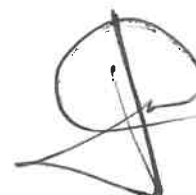
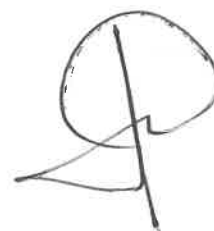


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PREAMBLE

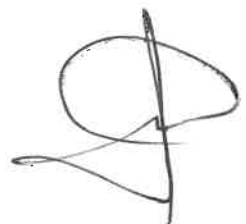
Business Continuity Management (BCM) includes a coordinated approach between emergency responses, crisis management, Information, Communication and Technology (ICT) recovery and business operations recovery including continued service provision responsive to the constituents served by Harry Gwala Development Agency (Pty) Ltd. BCM should allow the Municipal Entity to pro-actively prepare, respond, recover, and resume to business as usual following a disruptive event. These BCM elements should be considered holistically to ensure that strategies are aligned and support a proven BCM continuity.

Business continuity encompasses planning and preparation to ensure that the Agency can continue to operate in case of serious incidents or disasters and is able to recover to an operational state within a reasonably short period. As such, business continuity includes the following three key elements.

- **Resilience:** critical business functions and the supporting infrastructure must be designed in such a way that they are materially unaffected by relevant disruptions.
- **Recovery:** arrangements must be made to recover or restore critical and less critical business functions that were impacted by disruption, this includes development of Business Recovery Plan (BRP).
- **Contingency:** the Agency establishes a generalized capability and readiness to cope effectively should major incidents and disasters occur. Contingency preparations constitute a last-resort response if resilience and recovery arrangements should prove inadequate in practice.

Business continuity plans are designed and documented procedures utilized to respond to disruptive incidents, to guide recovery efforts, to resume prioritized activities, and to restore operations to acceptable predefined levels. Business continuity plans are designed for the Municipal Entity to be able to identify.

- the necessary services to recover and/ or resume operations after disruption occurred.
- business critical activities that should continue in operation during disruption, and
- resources needed to ensure that prioritized business activities and functions can continue during and after disruptions occurred. (Source: ISO 22301:2012).



Business continuity management is a process that identifies potential threats to an organization and provides a framework for building resilience and an effective response to safeguard the interests of shareholders; stakeholders; organizations reputation and brand. (BCI, Good practice guidelines, 2008) It further ensures that employees understand what is expected of them in the event of an incident for the organization to survive the disruption.

BCM focuses on the resiliency of people, property, processes, and providers as well as the availability and integrity of information. The management of disruption-related risk is founded on a thorough understanding of internal and external risks. As risk management leads to a better understanding of risks impact to the Entity's operations, BCM evaluates the functions, its dependencies and vulnerabilities on a long-term survival and a short-term recovery should a potential disruption occur.

The Business Continuity Plan pulls together the response of the whole organization to a disruptive incident by facilitating the resumption of business activities. The process of developing the business continuity management plan is multi-phased which is illustrated as a continuous process that requires an embedded culture of review and maintenance. The scope of the business continuity plan goes far beyond disaster recovery planning, and into true business continuance disciplines that require people, processes, & technologies.

1. INTERPRETATION OF THE POLICY

1.1. Except to the extent to which the context may otherwise require, this Policy shall be construed in accordance with the following provisions of this sub-paragraph:

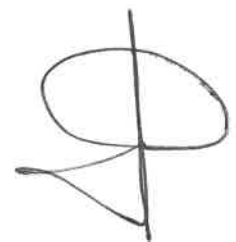
1.1.1. Any word or expression importing any gender shall include the other gender.

1.1.2. Words importing the singular also include the plural, and *vice versa*, where the context requires.

1.1.3. The following words shall have the meanings hereby assigned to them –

“Business continuity” shall mean the capability of the organisation to continually deliver its products or services at an acceptable predefined levels following a disruptive event.

“Business continuity management (BCM)” shall mean a holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value creating activities.



“BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)” forms part of the overall management system that establishes, implements, operates, monitors, reviews, maintains and improves business continuity. (Note: the management system includes organisational structure, policies, planning activities, responsibilities, procedures, processes, and resources).

“BUSINESS CONTINUITY PLAN” documented procedures that guide teams to respond, recover and restore to a predefined level of operation following a disruptive event.

“Business Impact Analysis” the process by which the impact of a disruptive event on a business unit or function is assessed in terms of people, environmental, social, technological, legislative, and economic (incl socio-political).

“BUSINESS LIFECYCLE” The stages of activity that an organization moves through and repeats with the overall aim of improving organizational resilience.

“CEO” shall mean the Chief Executive Officer of the Harry Gwala Development Agency (Pty) Ltd

“CRISIS MANAGEMENT” reacting to negative events during and after they have occurred.

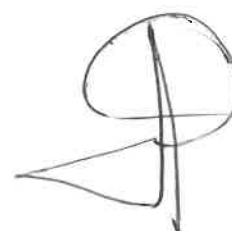
“DAYS” shall be in reference to working days.

“DISASTER MANAGEMENT” strategies for prevention, preparedness and response to disasters and the recovery of essential post-disaster services.

“EXECUTIVE AND SENIOR MANAGERS” Includes Executive and Non-Executive Directors of the Board

“HGDA” means the Harry Gwala Development Agency (Pty) Ltd, a company duly incorporated in terms of the laws of the Republic of South Africa with registration number: 2011/001221/07, in which the Harry Gwala District Municipality, as Parent Municipality, holds a sole interest.

“HGDM” means the Harry Gwala District Municipality, a Category C Municipality established in terms of Section 155(1)(c) of the Constitution of the Republic of South Africa, 1996 and in terms of Section 12(1) of the Municipal Structures Act, 32 of 2000 (as amended) and its successors in title. Includes duly authorised officials of the Municipality

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who have been delegated any powers, functions, and duties necessary to give effect to this Policy and decide upon and administer the matters referred to herein.

“EMERGENCY RESPONSE” actions taken in response to a disaster warning or alert to minimise or contain the eventual negative effects, and those taken to save and preserve lives and provide basic services in the immediate aftermath of a disaster impact, for as long as an emergency prevails.

2. PRIMARY LEGISLATIVE AND REGULATORY PROVISIONS

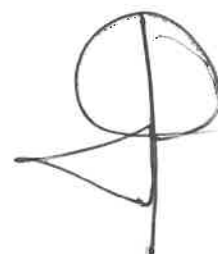
This Framework is developed based on the following legislative regulatory frameworks.

- 2.1. Municipal Finance Management Act No 56 of 2003
- 2.2. Municipal Systems Act No 32 of 2000, as amended.
- 2.3. Disaster Management Act 57 of 2002.
- 2.4. The Occupational Health and Safety Act (85) 1993 (Emergency Preparedness and Response); and
- 2.5. Labour Relations Act (66 of 1995)

3. PUBLIC SECTOR AND LEADING PRACTICE PRINCIPLES STANDARDS AND CODES

The following are relevant standards and best practice principles taken into consideration in developing this framework.

- 3.1. National Treasury Regulations April 2010
- 3.2. ISO 22301: 2012 Societal security – Business continuity management systems - Requirements.
- 3.3. ISO 22313: Societal security – Business continuity management systems - Guidance.
- 3.4. ISO 22390: Guidelines for exercises and testing.
- 3.5. Business Continuity Institute – Good Practice Guideline 2013: (www.thebci.org).



3.6. Control Objectives for Information and related Technology (COBIT5).

3.7. Information Technology Infrastructure Library (ITIL v3).

3.8. COSO ERM Framework 2004

3.9. ISO 31000: 2009 Risk Management Principles and Guidelines

3.10. ISACA IT Risk Framework

4. PURPOSE

The purpose of this Business Continuity Plan is to provide HGDA with guidelines that identify potential threats and strategies that minimise the effects of unexpected disruptions or emergencies.

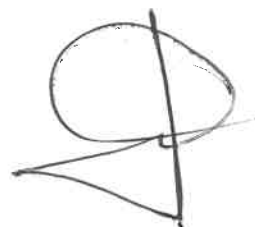
5. OBJECTIVES

BCM is an application of risk management strategies, an integral component of sound corporate governance and an important aspect of emergency preparedness and operational resilience. The objective of BCM is to ensure continued operation of critical functions and associated expectations of key stakeholders should the disruption occur. It assists the Municipal Entity to meet its legal, regulatory, and contractual obligations and to protect its reputation.

There is usually little or no time, to assess the affected business processes and resources at that time of disruption, however crucial decisions are quickly required to divert resources and ensure sustainability of critical functions, that is ICT processes, to ensure employee safety and safeguarding of assets, whilst recovery is being coordinated and alternative ways of operating are being established. BCM therefore assists in the prioritisation of processes and supporting resources and clarify decision-making.

It should therefore service to:

- Define and prioritise the critical systems and functions.
- Identify and prioritise threats and probable disruptions.
- Detail the responses to identified probable disruptions.
- Identify key contacts during disruptions and emergencies.

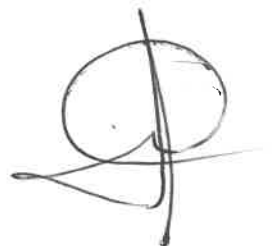


5.1. BCM FUNDAMENTAL PRINCIPLES

A well designed BCM practice involves resilience measures designed to maintain essential business processes and support ICT infrastructure, despite any incidents and/ or business disruptions.

BCM includes the following fundamental concepts:

- Business Continuity Plans (BCPs) involve measures to ensure, as far as possible, that critical business processes continue to operate satisfactorily despite a wide range of incidents. This includes aspects such as Uninterrupted Power Supply (UPS).
- IT Continuity Plan (ITCP) involves measures to ensure that, as far as possible, IT systems, networks and associated infrastructure and processes supporting critical business processes remain in operation despite disasters. This includes aspects such as fault tolerance, built-in redundancy and automated failover of the supporting IT systems, capacity, and performance management.
- Business Response Plans (BRPs) involve planning to recover/ restore critical and important business processes following disasters or major incidents. This includes activities such as relocating employees to alternative office locations, manual fallback processing, temporary relaxation of delegated authorities etc.
- Business Recovery Plans (BRPs) relate to recovering business and IT operations following incidents and disasters.
- IT Disaster Recovery Planning (IT DRP) involves planning for the recovery of critical IT systems and services following a disaster that impacted the resilience arrangements, examples include manually restoring IT systems and data on alternate/standby equipment from backups or archives, utilizing emergency communications facilities etc.
- Incident Management involves activities and processes designed to evaluate and respond to information security-related incidents of all sorts. Most activities are routinely exercised in the normal course of business, dealing with all manner of minor incidents, through continuously updating the processes, systems, and controls, and improving resilience and recovery activities in response to actual incidents and disasters.

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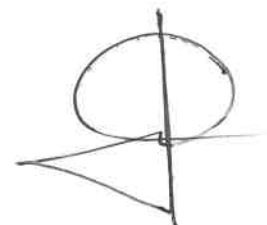
6. IMPORTANCE OF BUSINESS CONTINUITY MANAGEMENT

- 6.1. BCM will assist the Municipal Entity to conduct its operations with the highest regard for the safety and health of its employees and the public, and for the protection and preservation of property and the environment. Continuity of business operations must be maintained, and in the interests of stakeholders protected, even under the most adverse conditions.
- 6.2. The operations of the Agency must be resilient as possible, so that any incidents outside our control will have little or no effect on operations so that when a major incident occurs, our ability to sustain operations and ultimately recover is founded on a planned and well-thought-out approach, utilizing contingency resources that we maintain for such eventualities.
- 6.3. In the event of a major incident, priority will be placed upon the safety and welfare of officials, community, and visitors, above the restoration of critical business activities. Whilst the two are not mutually exclusive, management focus and resources will be diverted, where necessary, from business activity recovery to ensuring safety and welfare.
- 6.4. A key element in the development of a successful BCM is embedding a strong business continuity and risk awareness culture throughout the Agency.

7. ROLES AND RESPONSIBILITIES FOR BUSINESS CONTINUITY

7.1. CHIEF EXECUTIVE OFFICER

- 7.1.1. Delegated accountability and responsibility for ensuring that Harry Gwala Development Agency's BCMS is developed, implemented, and monitored in accordance with this policy document.
- 7.1.2. Providing strategic direction and leading recovery teams; and
- 7.1.3. Ensuring that Harry Gwala Development Agency's BCM Policy is enforced for the benefit of its stakeholders and in compliance with relevant regulations.

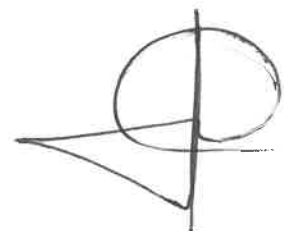


7.2. STRATEGIC MANAGEMENT TEAM

- 7.2.1. Governance and oversight in ensuring that services are operating in line with determined protocols and any strategic direction to ensure service progress and accountability.
- 7.2.2. Monitoring the implementation of Business Continuity Management within Harry Gwala Development Agency.
- 7.2.3. Reviewing and advising Harry Gwala Development Agency on Business Continuity Management methodology.
- 7.2.4. Review of business continuity capability and compliance against this Policy.

7.3. RISK MANAGEMENT COMMITTEE

- 7.3.1. Ensuring that the process of implementing BCM is effective and robust.
- 7.3.2. Oversight of the ongoing appropriateness of the Entity's BCM Policy and subsequent standards and approves changes to them including the strategy, future policies, and standards for resilience.
- 7.3.3. Advising the Chief Executive Officer on the performance of key processes and how effectively the principles of good BCM are being embedded across the Entity.
- 7.3.4. Commissioning and reviewing the annual BCM assurance reviews to assess the Entity's Business Continuity capabilities.
- 7.3.5. Review significant BCM control deficiencies and associated remedial plans/progress, and
- 7.3.6. Assist with the identification and selection of appropriate recovery solutions, including but not limited to:
 - 7.3.6.1. Facilitate the development and maintenance of BCM plans.
 - 7.3.6.2. Coordinate and monitor business continuity tests and exercises.
 - 7.3.6.3. Participate in the review of critical supplier recovery capabilities.



7.3.6.4. Ensure that appropriate plans are in place to close any gaps between the Entity requirements and the recovery capability of suppliers.

7.3.6.5. Provide and facilitate BCM education and awareness programmes.

7.4. RISK OFFICER

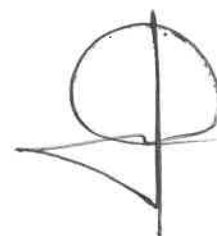
- 7.4.1. Advise the departments, on implementation of business continuity management.
- 7.4.2. Assisting with raising the Business Continuity Management's profile with stakeholders.
- 7.4.3. Report objectively on overall readiness of BCMS to the Risk Management Committee, and
- 7.4.4. Ensure a consistent deployment of BCM across the organisation in accordance with the Entity's BCM policy and standards.

7.5. ICT OFFICER

- 7.5.1. Responsibility for the recovery of ICT systems and data to support business recovery objectives.
- 7.5.2. Owning the BCM Plans for IT Systems in the organisation and to review them regularly to ensure that they are up to date and fit-for-purpose.
- 7.5.3. Ensuring that IT systems are tested to the highest level of assurance achievable without exposing the business to undue risk, and
- 7.5.4. Ensuring the recovery of all critical data is tested.

7.6. DEPARTMENTAL MANAGEMENT

- 7.6.1. Implementing and maintaining BCMS.
- 7.6.2. Defining a set of business activities and sub-activities which break down the business and map the underlying resource dependencies which support them in terms of functional teams, infrastructure, IT Systems, information / data, and critical suppliers.

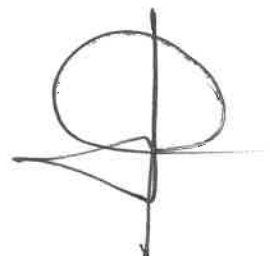


- 7.6.3. Ensuring appropriate provision is in place to support recovery requirements or escalate via Risk Management Committee.
- 7.6.4. Ensuring that the threat assessments are completed and reviewed by the Risk Management Committee.
- 7.6.5. Own the BCM plans related to their department and review them regularly to ensure that they are up to date and sign them off as being fit-for-purpose.
- 7.6.6. Drive the BCM testing by providing adequate resources to participate in BCM testing activities and provide sign off on testing results, remedial actions, and associated costs, and
- 7.6.7. Report on BCMS and state of readiness of Business Continuity in their areas of responsibility to the Risk Management Committee.

7.7. ALL OFFICIALS OF HARRY GWALA DEVELOPMENT AGENCY

- 7.7.1. Officials are essential in the prompt response to disruptions, and timely recovery of operations, hence.
- 7.7.2. All officials must:
 - 7.7.2.1. Be aware of BCMS policy and BCM procedures and any role they may have therein.
 - 7.7.2.2.
 - 7.7.2.3. Report incidents and threats to HGDA operations through appropriate Management channels.
 - 7.7.2.4. Be aware of evacuation procedures and any BCM Recovery strategies to continue Departmental operations.
 - 7.7.2.5. Participate in testing and exercising of BCMS procedures and plans as required, and
 - 7.7.2.6. Comply with related policies, including Occupational Health and Safety and communication to stakeholders.

8. BUSINESS CONTINUITY MANAGEMENT SYSTEM GOVERNANCE



8.1. Business Continuity Management Governance Oversight:

- 8.1.1. The Chairperson and Members of the HGDA Risk Committee Management Committee will be appointed by the Chief Executive Officer.

8.2. Distribution and communication

- 8.2.1. The Chief Executive Officer will distribute to management and make this policy available at the Harry Gwala Development Agency offices and website, to ensure that all officials, suppliers, stakeholders, and outsourcing partners who have a role to play in the BCMS are familiar with this policy.
- 8.2.2. Communication strategies will be defined within relevant BCPs, defining appropriate guidelines for internal and external communication in the event of an incident. This will include plans and procedures for liaising with HGDA Board, Management, media, and other stakeholders. All communication to external stakeholders will be actioned by the Chief Executive Officer.
- 8.2.3. The BCPs will be distributed to those who need to be involved in the recovery. Plans distribution lists shall be developed to ensure that officials who have copies of the plan and all recipients have the current version. The BCP distribution list will be incorporated as part of the BCP document.

8.3. Measuring BCM and Reporting

- 8.3.1. All departments / departmental units and the Risk Management Committee shall review the BCMS arrangements annually to assess any gaps and demonstrate that the BCMS is maintained as per this policy and that Business Continuity Plans are up-to-date and tested.
- 8.3.2. The Risk Management Committee will prepare a report of measurement of results for evaluation by the Risk Management Committee meeting to review BCMS arrangements, issues, and progress.
- 8.3.3. Business Continuity Plan will be reviewed and updated at least annually, to accommodate changes in the organisation and its systems. Changes to



documentation should be introduced as soon as is possible to ensure that documentation is up to date and relevant.

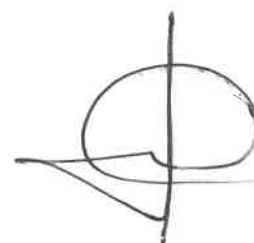
8.4. Preventative and Corrective action

- 8.4.1. HGDA must ensure steps are taken to periodically conduct threat assessments and review the BCMS procedures and plans to identify potential non-conformities and their causes, to proactively reduce or minimise the risks of major disruptions across the departments.
- 8.4.2. Compliance with this policy will be monitored by the Risk Management Committee. Any non-compliance will be reviewed to determine correction actions.
- 8.4.3. Any incidents that may occur, or threats or risks to the continuity of Harry Gwala Development Agency operations that are identified, must be reviewed to determine corrective actions.

8.5. Compliance

- 8.5.1. Safety of officials and continuity of operations during a disruptive event is the responsibility of everyone affiliated with the Entity or directly accessing the Harry Gwala Development Agency's premises, systems, data in any form and information entrusted to HGDA by other third parties,
- 8.5.2. Non-compliance with the required measures and activities outlined in this policy could post significant business, reputational and legal risks to HGDA.
- 8.5.3. Therefore, compliance with this policy and all HGDA BCMS procedures is a mandatory condition for employment by all officials, as well as third parties (such as outsourcing providers, contractors, alliance partners, investors, etc). Failure to comply with this policy will be reported and disciplinary action may be taken. Such action may include, but not limited to, reprimand, financial penalties, termination of employment and or legal action in line with HGDA Disciplinary Code of Conduct.

8.6. Commitment to Business Continuity Management



- 8.6.1. HGDA is committed to incorporating BCM into its institutional planning and decision-making processes. HGDA's Management must implement BCM according to relevant legislative requirements and appropriate BCM standards.
- 8.6.2. HGDA is committed to ensuring that all staff, particularly those with management, advisory, recovery roles and decision-making responsibilities, obtain a sound understanding of the principles of BCM and the necessary skills to implement the BCM effectively.
- 8.6.3. HGDA will regularly monitor, and review progress made in developing an appropriate culture of BCM and the effective implementation of BCM strategies throughout the organisation as a basis for continuous improvement.

9. REVIEW OF POLICY

The Policy will be reviewed every three years or as the need arises.

10. COMMENCEMENT

- 10.1. This Policy will come into effect on the date of adoption by the Board of Directors of the Harry Gwala Development Agency (Pty) Ltd.

11. APPROVED BY:

NAME	SIGNATURE	DESIGNATION	DATE
MS ACR Whyte		Chief Executive Officer	25 April 2024

