



POLICY 005/2020 RAADSBELEID

SUBJECT/ONDERWERP: RISK MANAGEMENT COMMITTEE CHARTER

REFERENCE/VERWYSING: 3.1.3.3.2.14

RESOLUTION NR/BESLUIT NO: 15/06/2020 (CM)

DATE/DATUM: 30 JUNE 2020

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1. CONSTITUTION

The Risk Management Committee (Committee) has been established by the Dawid Kruiper Local Municipality to assist the Municipal Manager to fulfil his / her risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. OBJECTIVES

The primary objective of the Committee is to assist the Municipal Manager in discharging his / her accountability for risk management by reviewing the effectiveness of the institution's risk management systems, practices and procedures, and providing recommendations for improvement.

3. COMPOSITION

The Municipal Manager will act as the chairperson of the Risk Management Committee and will appoint the other members of the committee. The members, as a collective, shall possess the blend of skills, expertise and knowledge of the Institution, including familiarity with the concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the Institution.

The Committee consist of:

- The Chairperson of Risk Management Committee
- The Chairperson of the Audit Committee
- The Municipal Manager
- Senior Management
- Manager in Office of the Municipal Manager
- Senior Manager Internal Audit
- Manager Risk Management
- Manger Statelite Office

4. AUTHORITY

The Municipal Manager shall act as Chairperson of the committee or can delegate to a Senior Manager.

The Committee shall have the requisite authority to request employees to attend the meetings if necessary.

5. ROLES AND RESPONSIBILITIES

The duties of the Committee shall be to:

- To ensure that risks are managed and monitored effectively;
- To evaluate reports from the Department Risk Management and Internal Audit and the concerned departments;
- Review annually the risk management policy, charter, framework and strategy and recommend it for approval by Council and the Accounting Officer;
- Review the risk appetite and tolerance and recommend for approval by the Accounting Officer;
- Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Report to the Accounting Officer any material changes to the risk profile of the Institution;

- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
- Set out the nature, role, responsibility and authority of the risk management function within the municipality for approval by the Accounting Officer;
- Provide proper and timely reports to the Accounting Officer on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.
- Evaluate the effectiveness of mitigating strategies to address the material risks of the institution;
- Review the fraud prevention policy and recommend for approval by the Accounting Officer.
- Evaluate the effectiveness of the implementation of the fraud prevention policy.

6. MEETINGS

The Committee shall meet at least four times per annum. majority of the permanent members of the Committee circumstances may dictate.

The Chairperson of the Committee may convene additional meetings as required.

7. ADMINISTRATIVE DUTIES

The Section Administration shall be the secretary of the Committee. The secretary shall forward the notice of each meeting of the Committee to all members no later than three working days prior to the date of the meeting. The notice shall confirm the venue, time, date and agenda and include the documents for discussion.

The minutes of the meetings shall be completed by the secretary and sent to all relevant officials for comment within seven working days after the meeting.

The minutes shall be approved at the immediately following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

8. QUORUM

50% plus one constitutes a quorum. A permanent member of the Committee may nominate a proxy on his/her behalf.

9. PERFORMANCE EVALUATION

The Committee shall evaluate at least annually its performance in terms of its charter.

10. REVIEW OF THE CHARTER

The Committee shall review the Charter annually and recommend to the Council and Municipal Manager for approval any amendments that may be required.

REPEAL

That all previous resolutions/policies regarding this matter be repealed.