



FETAKGOMO TUBATSE
LOCAL MUNICIPALITY

RISK MANAGEMENT COMMITTEE CHARTER

2023/2024

TABLE OF CONTENTS

1.CONSTITUTION.....	3
2.OBJECTIVES	3
3.COMPOSITION AND TERMS OF OFFICE.....	3
4.ROLES AND RESPONSIBILITIES	3
5.AUTHORITY.....	4
6.REMOVAL OR RESIGNATION	4
7.MEETINGS.....	5
8.QUORUM	5
9.ADMINISTRATIVE DUTIES	5
10.REPORTING	5
11.PERFORMANCE EVALUATION OF THE COMMITTEE	6
12.REVIEW OF THE CHARTER.....	6
13.APPROVAL OF THE CHARTER.....	6

1.CONSTITUTION

The charter governs the processes of the Risk Management Committee and outlines the procedures and guidelines in relation to the role of the committee.

2.OBJECTIVES

The primary objective of the Risk Management Committee is to assist the Accounting Officer in discharging its oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management, its role is to review the effectiveness of the municipality's risk management system, practices and procedures, and providing recommendations for improvement.

3.COMPOSITION AND TERMS OF OFFICE

Members of the Committee may be formally appointed by the Accounting Officer. The members, as a collective, shall possess the blend of skills, expertise, and knowledge of the Municipality, 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 Municipality.

Membership shall comprise:

- Independent Chairperson who is not an employee of the Municipality
- All Municipal Directors.
- Chief Risk Officer (secretary of the Committee)
- Chief Audit Executive (Standing Invitee)
- The Committee may in its discretion invite any other person who may be co-opted to provide specialist skills, advice and counsel.

4.ROLES AND RESPONSIBILITIES

In discharging its governance responsibilities relating to risk management, the Risk Management Committee should:

- Review and recommend for Accounting Officer's approval the risk management policy, strategy, and implementation plan.
- Evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the Institution.
- Evaluate the extent and effectiveness of integration of risk management within the Institution.

Risk Management Committee Charter 2022/23

- Assess implementation of the risk management policy and strategy (including plan);
- Oversight on implementation of mitigating strategic and operation risks.
- Review the Institution's risk tolerance level, ensuring that limits are supported by accurate analysis and expert judgement of the Institution's ability to withstand significant shocks;
- Review the municipality's risk identification and assessment methodologies, after satisfying itself of their effectiveness that the Municipality has the ability to timeously recover from financially and operationally shocks.
- To advise the Accounting Office on Insurance and other related matters.
- Review the anti-fraud and corruption policy and strategy and recommend for approval by the Accounting Officer;
- Evaluate the effectiveness of the implementation of the anti-fraud and corruption and strategy
- Provide timely and useful reports to the Accounting Officer on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the Committee.
- Report to the Accounting Officer any material changes to the risk profile of the municipality;
- Interact with the Audit Committee to share information relating to material risks of the Institution;
- In instances where the scale, complexity and geographical dispersion of the Institution's activities dictate the need for the Risk Management Committee to work through sub-committees, the Risk Management Committee should ensure that:
 - Approval is obtained from the Accounting Officer for the establishment of the sub-committees;
 - the terms of reference of the sub-committees are aligned to that of the Risk Management Committee;
 - The Risk Management Committee exercises control over the functioning of the sub-committees.
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5.AUTHORITY

The committee shall have the authority to request directorates to present and to give account for their delegated responsibility in respect of risk management.

6.REMOVAL OR RESIGNATION

If a member of the committee retires, or resigns from their position within the municipality, that member ceases to be a member of the committee. The Accounting Officer may appoint a successor.

7.MEETINGS

The Committee shall meet at least four times per annum (quarterly). The Chairperson of the Committee or most of the permanent members of the Committee may convene additional meetings as circumstances may dictate.

8.QUORUM

50% plus one constitutes a quorum. A member of the Committee may nominate a proxy on his/ her behalf. This provision shall lapse in the event that a member fails to attend 2 consecutive meetings in a financial year.

9.ADMINISTRATIVE DUTIES

Secretarial duties for the committee shall be performed by the Manager Risk Management.

Minutes of the meetings should be circulated to all members five working days after the meeting and notification for meetings should be distributed to all members seven working days before the meeting and it shall confirm the venue, time, date and agenda and include the documents for discussion.

The minutes shall be approved at the immediate following meeting by the Chairperson, whereupon the approved minutes will be circulated to all attendees within three working days. A schedule of all meetings for a financial year shall be prepared by the secretary in consultation with other members for approval by the chairperson before distribution.

10.REPORTING

The committee will report and present its performance report quarterly to the Audit Committee.

11.PERFORMANCE EVALUATION OF THE COMMITTEE

The Accounting Officer should evaluate the performance of the Risk Management Committee through the following and other relevant indicators:

- The results of the Risk Management Committee's own 360⁰ assessment.
- The pace and quality of the implementation of the risk management policy and strategy.
- The Internal Audit report on the state of risk management;
- The Auditor-General's report on the effectiveness of the Risk Management Committee; and
- The quality and timeliness of the Risk Management Committee's counsel and recommendations.

12.REVIEW OF THE CHARTER

The Committee shall review the charter annually and recommend to the Accounting Officer for approval of any amendments that may be required

13.APPROVAL OF THE CHARTER

The Risk Management Committee Charter approved by the Council of FTLM.

Number: SC08/2023

Council Resolution No:



FETAKGOMO TUBATSE LOCAL MUNICIPALITY

FTLM RESOLUTIONS	FILE NO.																		
TOWN	MEET NR	S	C	M	0	3	2023	TAKEN ON	0	4	0	9	2	0	2	3	ITEM	SC08	2023
JOB DISPOSAL	FOR INFORMATION																		
	MUNICIPAL MANAGER																		
	DIRECTOR : BUDGET AND TREASURY																		
	DIRECTOR : CORPORATE SERVICES																		
	DIRECTOR : INFRASTRUCTURE DEVELOPMENT AND TECHNICAL SERVICES																		
	DIRECTOR : COMMUNITY SERVICES																		
	DIRECTOR : DEVELOPMENT & PLANNING																		
	DIRECTOR : LOCAL ECONOMIC DEVELOPMENT & TOURISM																		
SUBJECT	Resolution : Request for Approval of Risk, Anti-Fraud and Corruption as well as Compliance Policies and Frameworks																		
Resolved																			
<p>1. that Council approved the following Policies and Frameworks :</p> <ul style="list-style-type: none"> a. Anti-Fraud and Corruption Strategy b. Anti-Fraud and Corruption Policy c. Whistle Blowing Policy d. Risk Management Strategy e. Risk Management Framework f. Risk Management Policy g. Risk Management Committee Charter h. Business Continuity Management Summary i. Compliance Management Policy and Framework 																			

Date 04/09/2023 Chairperson of the Municipal Council