



RISK MANAGEMENT COMMITTEE CHARTER

2020/21

CONTENTS

1. Constitution	3
2. Objectives	3
3. Composition	3
4. Authority	4
5. Roles and Responsibilities	4
6. Meetings	5
7. Administrative duties	5
8. Quorum	5
9. Performance Evaluation	6
10. Review of the Charter	6

1. Constitution

The Risk Management Committee (RMC) has been established by the Langeberg Municipality to assist the Municipal Manager to fulfil his duties on risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. Objectives

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

3. Composition

The Municipal Manager shall formally appoint permanent members of the RMC. 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 Langeberg Municipality.

Membership of the Risk Management Committee will comprise of:

- Audit & Performance Committee (A&PC) Member (Chairperson)
- Director: Engineering Services
- Director: Financial services (CFO)
- Director: Strategy and Social Development
- Director: Corporate Services
- Director: Community Services

Standing invitees to the Committee shall be the members from the Internal Audit & Risk Management Unit and the risk champion of each directorate.

4. Authority

The Accounting Officer (AO) shall appoint the Chairperson of the RMC from the permanent membership of the A&PC.

The RMC shall have the requisite authority to request management to appear before it to account for their delegated responsibilities in respect of risk management.

The Chairperson shall monitor the compliance to the approved charter and ensure that feedback is provided to the Accounting Officer and Audit & Performance Committee.

5. Roles and responsibilities

The duties of the Risk Management Committee shall be to:

- Review the risk management policy and strategy and recommend to the Municipal Manager, A&PC and Council for approval;
- Review the risk appetite framework and recommend to the Municipal Manager, A&PC and Council for approval;
- Review the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register and recommend to the Municipal Manager, A&PC and Council for approval;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Municipality;
- Report quarterly to the Municipal Manager any material changes to the risk register of the Municipality;
- Review the fraud prevention policy and recommend to the Municipal Manager, A&PC and Council for approval;
- Evaluate the effectiveness of the implementation of the fraud prevention policy and fraud prevention & response plan;
- 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;
- Develop goals, objectives and key performance indicators for the RMC for approval by the Municipal Manager;
- Develop goals, objectives and key performance indicators to measure the effectiveness of the risk management activity;

- Set out the nature, role, responsibility and authority of the Internal Audit & Risk Management function within the Municipality for acceptance by the Municipal Manager, and oversee the performance of the Internal Audit & Risk Management function;
- Provide proper and timely reports to the Municipal Manager on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.

6. Meetings

The Committee shall meet at least four times per annum and therefore the Committee shall approve a year planner with the scheduled dates annually before 30 June of each year. The Chairperson of the Committee or a majority of the permanent members of the Committee may convene additional meetings as circumstances may dictate.

Members of the Committee are allowed electronic attendance when a member cannot physically be present in a meeting. i.e. by telephone or through other electronic means of communication (which are available to all attended parties)

7. Administrative duties

The Head of Risk Management Unit (CAE), as the designated driver of the risk management process or his delegate shall be the secretary of the RMC. The secretary shall forward the notice of each meeting of the RMC to all members and standing invitees after the approval of the year planner. The notice shall confirm the venue, time date and the agenda, including the documents for discussion will be distributed five (5) or more days before the date of the meeting.

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 immediate following meeting, whereupon the approved minutes will be circulated to all attendees within three working days after signed by the Chairperson.

8. Quorum

The majority of members shall form a quorum.

9. Performance evaluation

The Committee shall be evaluated by the accounting officer at least annually on its performance in terms of its charter and its duties and responsibilities.

10. Review of the charter

The Committee shall review the Charter whenever required and recommend to the Accounting Officer for approval of any amendments that may be required. This document will remain effective until a new one is approved.

ACKNOWLEDGEMENT OF APPROVAL

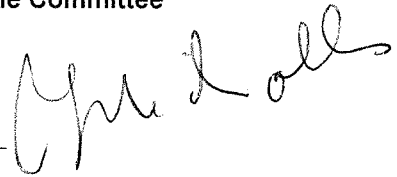
Recommended by the Risk Management Committee:

Position: Chairperson of the Committee

Name in Print: R G NICHOLLS

Signature:

17/07/2020



Approved by the Municipal Manager:

Position: Municipal Manager

Name in Print: SA Mokweni

Signature:

21 July 2020



Adopted by Council Resolution

Report No.:
Date:

A4031
25 August 2020