



RISK MANAGEMENT COMMITTEE CHARTER

2018/19

(July 2018- June 2019)

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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

Permanent members of the RMC shall be formally appointed by the Municipal Manager. 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 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.

4. Authority

The Accounting Officer (AO) shall appoint the Chairperson 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 for approval by the Municipal Manager;
- Review the risk appetite and tolerance levels and recommend for approval by the Municipal Manager;
- Review the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Municipality;
- Report to the Municipal Manager any material changes to the risk register of the Municipality;
- Review the fraud prevention policy and recommend for approval by the Municipality;
- Evaluate the effectiveness of the implementation of the fraud prevention policy;
- 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 approval 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. The Chairperson of the Committee or a majority of the permanent members of the Committee may convene additional meetings as circumstances may dictate.

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 no later than ten (10) 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 immediate following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

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 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: Ebrahim Abrahams

Signature: 

Date: 27 July 2018

Accepted by the Accounting Officer:

Position: Municipal Manager

Name in Print: S A MOWENI

Signature: 

Date: 2018/07/27

Approved by Council Resolution:

Report No.: A 3694

Date: 25/09/2018