

COUNCIL RESOLUTION NUMBER 05/12/2014

RAMOTSHERE MOILOA LOCAL MUNICIPALITY



RISK MANAGEMENT STEERING COMMITTEE CHARTER

2014/2015 FINANCIAL YEAR

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RISK MANAGEMENT STEERING COMMITTEE CHARTER

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1. INTRODUCTION

The Risk Management Steering Committee Charter is part of the Risk Management Framework of the municipality

The Risk Management Steering Committee Charter is a document that guides the activities of the Risk Steering Management Committee (RSMC).

The RSMC is an internal committee of the Ramotshere Moiloa Local Municipality to oversee the management of enterprise risks to ensure that all risks are successfully mitigated

The purpose of the Risk Management Steering Committee (RSMC) is to assist the Municipal Manager in fulfilling his/her risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

The municipality acknowledge that there are different risk management models and frameworks that institutions implement in order to manage their risks

The municipality utilized the Risk Management Committee Charter (RSMCC) on an annual basis

2. OBJECTIVE

The primary objective of the Committee is to assist the Accounting Officer in discharging his/her accountability for risk management by reviewing the effectiveness of the institutions risk management systems, practices and procedures and providing recommendations for improvement.

3. STATUS OF THE RISK MANAGEMENT STEERING COMMITTEE (RSMC)

The RSMC is a high level advisory body to assist the Municipal Manager with the successful mitigation of enterprise risks.

4. REPORTING

The RSMC must submit a report the Municipal Manager after every meeting

5. COMPOSITION

Permanent members of the Committee shall be formally appointed by the Municipal Manager

The members, as a collective must possess the bend of skills expertise and knowledge of the Institution including familiarity with the concepts, principles and practices of risk management so



that they can contribute meaningfully to the advancement of risk management within the municipality

Membership shall comprise out of the following

- Deputy Chief Financial Officer
- Unit Managers
- Chief Risk Officer

Standing invitees to the Committee shall include the following

- Chief Audit Executive
- Compliance Manager
- Unit Manager Legal Services

The Committee may request any other official to attend meetings who is thought to have specialist skills or knowledge to assist the Committee.

6. AUTHORITY

The accounting Officer shall appoint the Chairperson from the permanent membership of the Committee

The Committee shall have the requisite authority to request employee of the municipality to appear before the Committee to account to their delegated responsibilities in respect of risk management.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be the following

- a. Review the Risk Management Framework on an annual basis and submit recommendations for consideration to the Accounting Officer.
- b. Review the risk appetite and tolerance levels pertaining to risks and make recommendations to the Accounting Officer.
- c. Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register.
- d. Evaluate the effectiveness of mitigating strategies to address the material risks of the institution.
- e. Report to the Accounting Officer any material changes to the risk profile of the institution.

- f. Review the Fraud Prevention Policy and make recommendations for consideration by the Accounting Officer.
- g. Evaluate the effectiveness of the implementation of the Fraud Prevention Policy.
- h. 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 weakness.
- i. Develop goals objectives and key performance indicators for the Committee for approval by the Accounting Officer.
- j. Develop goals objectives and key performance indicators to measure the effectiveness of the risk management activity.
- k. Set out the nature role responsibility and authority of the risk management function within the institution for consideration by the Accounting Officer and oversee the performance of the risk management function.
- l. 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.
- m. On a quarterly basis, review the risk dashboards as submitted by the Risk Owners to monitor progress with regards to the mitigation of risks verify the residual risks and make recommendations to the Municipal Manager.

8. 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

The Municipal Manager may request the RMC to convene in order to discuss and advice on any matter he/she may deem important.

9. ADMINISTRATIVE DUTIES

The Risk Management Unit must provide secretarial services to the Committee

The secretary shall forward the notice of each meeting of the Committee to all members no later than five 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 circulated to all members within seven working days after the meeting.

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

10. QUORUM

50% plus one constitutes a quorum

A permanent member of the Committee may nominate a proxy on his/ her behalf

This proviso shall lapse in the event that the permanent member fails to attend 50% or more of the Committee meetings held in that particular financial year in person.

11. PERFORMANCE EVALUATION

The Committee will annually undertake a self-assessment on its performance

The Chairperson will provide each member with feedback on that member's contribution to the Committees activities at least once during a member's term of office.

The assessment must include training needs for each Committee member.

12. REVIEW OF THE CHARTER

The Committee will annually review its Charter to ensure that it remains relevant with the Committee's authority and responsibilities.

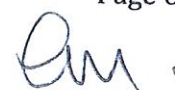
All changes or amendments to the Charter will be discusses and approved by the Accounting.

13. PRIMARY CONTACTS

NAME	DESIGNATION	CONTACT DETAILS
Cedric Mtileni	UM: Risk Management	(018) 642 1081

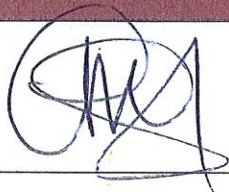
RECOMMENDATION BY THE COUNCIL COMMITTEE

The document was considered by the Council at a meeting that took place on the 17 December 2014.



It was resolved to recommend the approval of the Risk Management Committee Charter.

14. APPROVAL

DESIGNATION	NAME	SIGNATURE	DATE
Municipal Manager	Mr C Maema		18/12/2014

15. COUNCIL RESOLUTION

COUNCIL RESOLUTION NUMBER	DATE
05/12/2014	18/12/2014.

