

**2024/2025
APPROVED RISK
COMMITTEE
CHARTER**

Received 2/1/2024

RISK MANAGEMENT ANTI – CORRUPTION AND FRAUD PREVENTION COMMITTEE CHARTER

INTRODUCTION

The Risk Management Anti – Corruption and Fraud Prevention Committee Charter is a document that guides the activities of the Risk Management Committee.

The Risk Management Anti – Corruption and Fraud Prevention Committee is an internal committee of the City of Mbombela to oversee the management of enterprise risks to ensure that all risks are successfully mitigated and monitored.

The purpose of the Risk Management Anti – Corruption and Fraud Prevention Committee is to assist the City Manager in fulfilling his/her risk management and control responsibilities, in accordance with prescribed legislation and corporate governance principles.

In the compilation of this Charter, the municipality utilizes the Public Sector Risk Management Framework (2010), the Local Government Risk Management Framework (2014), as well as the South African Local Government Association (SALGA) Risk Management Framework (2017.)

OBJECTIVE

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

STATUS OF THE RISK MANAGEMENT ANTI – CORRUPTION AND FRAUD PREVENTION COMMITTEE CHARTER

The Risk Management Anti – Corruption and Fraud Prevention Committee Charter is a high-level advisory committee to assist the City Manager with the successful mitigation of all enterprise risks.

AUTHORITY

Through a Shared Service Agreement with the Ehlanzeni District Municipality the Chairperson will be appointed.

The Risk Management and Fraud Prevention Committee shall have the requisite authority to request management to appear before it to account for their delegated responsibilities in respect of risk management.

REPORTING

The Risk Management Anti – Corruption and Fraud Prevention Committee Chairperson will submit a report to the City Manager and Audit Committee after every Risk Management Committee meeting.

COMPOSITION

Permanent members of the Committee shall be formally appointed by the City Manager. Committee members, as a collective, must possess the blend 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:

- External Chairperson.
- All Section 57 Managers.
- Chief Risk Officer.
- A member of the Audit Committee.
- Chief Audit Executive.
- Senior Manager: Legal Services.
- Senior Manager in the Office of the City Manager.
- Manager: Risk Management.
- Risk Officers.

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

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 City Manager.
- b. Review risk appetite and tolerance levels pertaining to risks and make recommendations to the City Manager.
- 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 material risks of the Institution;
- e. Report to the City Manager any material changes to the risk profile of the municipality.
- f. Review the Anti – Corruption and Fraud Prevention Policy and make recommendations for consideration by the City Manager.
- g. Evaluate the effectiveness of the Anti – Corruption and Fraud Prevention Policy and the implementation thereof;
- h. Review the Loss Control Policy and make recommendations for consideration by the City Manager.
- i. Evaluate the effectiveness of the Loss Control Policy and the implementation thereof;
- j. 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;
- k. Develop goals, objectives and key performance indicators for the Committee for approval by the City Manager.
- l. Develop goals, objectives and key performance indicators to measure the effectiveness of risk management activity;
- m. Set out the nature, roles, responsibilities and authority of the risk management function within the City for consideration by the City Manager, to oversee the performance of the risk management function;
- n. Provide proper and timeous reporting to the City Manager on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.
- o. Review risk mitigation reports on a quarterly basis, as submitted by Risk Owners to monitor progress with regards to the mitigation of risks, verify the residual risks and make recommendations to the City Manager.

RESPONSIBLE OFFICER

- (1) The Official that is responsible for the successful functioning of this Committee, is the Chairperson.
- (2) It is inter-alia the duty of the incumbent to keep the City Manager informed of what has transpired at meetings.
- (3) In the above-mentioned task, the Chairperson must be supported by the Chief Risk Officer.

MEETINGS

- (1) The Committee shall meet at least four times per annum.
- (2) The Chairperson of the Committee or a majority of the permanent members of the Committee may convene additional meetings as circumstances may dictate.
- (3) The City Manager may request the Risk Management Anti – Corruption and Fraud Prevention Committee to convene in order to discuss or advice on any matter he/she may deem crucial.

ADMINISTRATIVE DUTIES

- (1) The Chief Risk Officer shall be the secretary of the Committee
- (2) The secretary shall forward the notice of each Committee Meeting to all members no later than ten working days prior to the date of the meeting.
- (3) The notice shall confirm the **venue, time, date** and **agenda** for discussion.
- (4) Once a member accepts a notice of a meeting, a contractual obligation is established and this must be adhered to.
- (5) The minutes shall be approved at the next meeting and circulated to all attendees within seven working days.

QUORUM

- (1) 50% plus one constitutes a quorum.
- (2) A permanent member of the Committee may nominate a proxy on his/her behalf (proxy must be suitably advised on reported items that must be tendered on behalf of the permanent member).
- (3) 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.

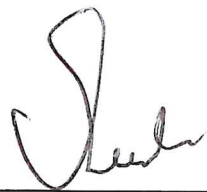
PERFORMANCE EVALUATION

The Committee will annually undertake a self-assessment of its performance. The Internal Audit Unit must at least once in a financial year, submit a report to the Committee and the City Manager, regarding the state of risk management in the municipality. The annual report from the Office of the Auditor-General, must also be considered by the Committee and will be presented to the committee by the Senior Manager responsible for performance management once available.

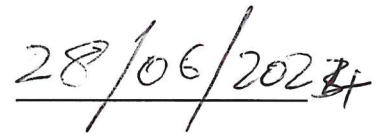
APPROVAL OF THE 2024/2025 RISK MANAGEMENT ANTI – CORRUPTION AND FRAUD PREVENTION CHARTER

The **2024/2025** Risk Management Anti – Corruption and Fraud Prevention Committee Charter for the City of Mbombela Municipality was considered by the Risk Management Anti – Corruption and Fraud Prevention Committee Charter at a Meeting that took place on **22 May 2024**.

The Risk Management Anti – Corruption and Fraud Prevention Committee resolved to recommend the approval of the **2024/2025** Risk Management Anti – Corruption and Fraud Prevention Committee Charter.



MR MICHAEL SECKER: CHAIRPERSON



DATE



MR WISEMAN KHUMALO: CITY MANAGER



DATE