



RISK MANAGEMENT

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RISK, FRAUD PREVENTION AND ETHICS MANAGEMENT COMMITTEE CHARTER 2022/2023

Produced by:

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1. Constitution

The Risk, Fraud Prevention and Ethics Management Committee has been established by Department of Human Settlements to assist the Accounting Officer to fulfill his / her risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. Objectives

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 departmental risk management systems, practices and procedures, and providing recommendations for improvement.

Furthermore, the Committee aims to assist the Accounting Officer and Management to ensure that policies, internal controls and procedures are in place to create an appropriate culture and systems, which includes processes of planning, analysis and monitoring risks in a consistent manner.

3. Composition

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

3.1 Membership shall comprise:

3.1.1 Independent Chairperson

3.1.2 Independent Members

3.1.3 Chief Financial Officer

3.1.4 Representatives of Senior Management.(Chief Directors)

3.1.5 Miss Unit Manager who is responsible for the investigation and reporting of reported fraud cases.

3.2 Standing invitees to the Committee shall be:

3.2.1 Provincial Risk Management Support,

3.2.2 Other relevant stakeholders who may be requested to provide specialist skills, advice and counsel,

3.2.3 Provincial Internal Audit (PIA) representative and

3.2.4 Ad hoc Senior Managers as per the Committee's decision or Authority.

The Accounting Officer shall appoint an independent Chairperson, Independent Deputy Chairperson and Independent Members to form part of the Committee for a period of 3 years.

The Committee shall have the requisite authority to request Management on an ad hoc basis to account for their delegated responsibilities in respect to risk management.

4. Roles and responsibilities

The duties of the Committee shall be:

4.1 To play an oversight role in evaluating the effectiveness of the Departmental Enterprise Risk Management process/system.

4.2 To review the risk management policy, implementation plan and strategy and recommend for approval by the Accounting Officer;

4.3 To review the fraud prevention policy, plan and strategy and recommend for approval by the Accounting Officer.

4.4 To review the risk appetite and tolerance and recommend for approval by the Accounting Officer.

4.5 To review the Departmental risk identification process (which is inclusive of Fraud risks) and assess the methodologies to obtain reasonable assurance of the accuracy and relevance and the completeness of the departmental risk register;

6. Administrative duties

The Chief Risk Officer, or such person as appointed by the Chief Risk Officer, shall be the secretary of the Committee. The secretary shall forward the notice of each meeting of the Committee to all members no later than ten 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 by the Chairperson of the Committee in the next meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

7. 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.

8. Performance evaluation

The Committee shall evaluate its performance at least annually in terms of its charter.

9. Remuneration of the Committee Members

9.1 All independent Committee Members who are appointed by the Accounting Officer will be paid a setting allowance/fees as per the updated National Treasury remuneration schedule for non-official members under Committee of inquiry.

9.2 The Sitting fees are exclusive of payments in respect of preparation, research and travelling.

| Appointed independent Member | Rate per hour |
|-------------------------------------|----------------------|
| Chairperson | R540 |
| Member | R327 |

- 9.3 The above sitting allowance/fees are inclusive of VAT, meaning that all appointed independent Committee Members are required to register and charge VAT.
- 9.4 Non-Official Members will also be paid for preparatory work done before the scheduled risk.
- 9.5 Non-Official Members shall be paid a full day remuneration which will include sitting allowance per hour and the remaining amount will be allocated for preparatory work. The preparatory work will be based on the Risk, fraud prevention and ethics management pack/file which is submitted to the Committee Members for them to prepare prior to the scheduled meeting.
- 9.6 After the meeting a claim form will be prepared and signed by the independent Committee Members. The attendance register/proof of presence in the visual meeting will be attached, agenda of the meeting, proof of submitted pack/file to Committee Members will be attached to the signed claim form.
- 9.7 All independent Committee Members will be compensated for the following as per the approved Departmental SNT tariff's:-
- 9.8 Data costs incurred when the meetings are visual,
- 9.9 Transportation costs if the appointed independent Member is outside Mafikeng town.

10 Review of the charter

This Charter will be reviewed annually and when the need arise. If there are any significant changes an Addendum will be done and approval sought from the Head of the Department.

11. POLICY APPROVAL

Policy Developer:

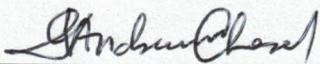


**MS L THULO
DEPUTY DIRECTOR**

31/03/2022.

DATE:

Recommendation:

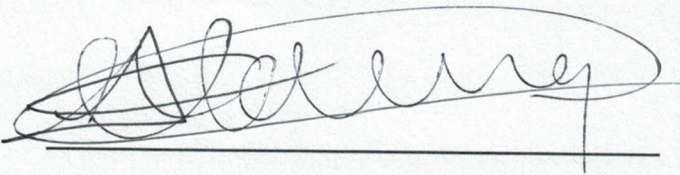


RISK MANAGEMENT COMMITTEE CHAIRPERSON

31/03/2022

DATE:

Approval:



HEAD OF DEPARTMENT

31/03/2022

DATE: