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Department:
Public Works and Roads
North West Provincial Government
Republic of South Africa

RISK, FRAUD & ETHICS COMMITTEE CHARTER

2019/20

DOCUMENT TITLE : RISK, FRAUD & ETHICS COMMITTEE CHARTER
DEPARTMENT : PUBLIC WORKS AND ROADS

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1. Constitution

The Risk, Fraud and Ethics Committee has been established by Department of Public Works and Roads to assist the Accounting Officer to fulfil his / her risk management and ethics 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 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.

Membership shall comprise:

- Independent Chairperson
- Independent Member
- Chief Financial Officer

- Chief Director: Corporate Services
- Chief Director: Public Works Infrastructure
- Chief Director: Facilities Management
- Chief Director: District Operations
- Chief Director: Roads Infrastructure
- Director: Community Based Programme
- Director: Minimum Information Security Services
- Director: Legal Services
- Director: Planning, Monitoring & Evaluation
- Manager: Information Communication Technology

Secretariat:

- Chief Risk Officer/ Risk Officers

Ex officio members as follows:

- Representative: Provincial Internal Audit
- Representative: Provincial Risk Management Support

4. Authority

- The Accounting Officer shall appoint an independent Chairperson and independent member to form part of the committee for a period of 3 years.
- The Committee shall have the requisite authority to request management to appear before it to account for their delegated responsibilities in respect of risk management.

- The Committee shall from time to time request the specialised functions to provide advisory services.
- For the purpose of the functioning of the Committee in the event that the members of the Committee are of a more junior rank than the management that they request to appear before them, the traditional rank hierarchy in the Department shall not apply. This implies that in the context of the functioning of the Risk Management Committee the members will enjoy greater powers than management although the members themselves may be of a lower status.

5. Roles and responsibilities

The duties of the Committee shall be to:

- Review the risk management policy and strategy and recommend for approval by the Accounting Officer;
- Review the risk appetite and tolerance and recommend for approval by the Accounting Officer;
- Review the Departmental 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 Department;
- Report to the Accounting Officer any material changes to the risk profile of the Department;

- 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;
- Set out the nature, role, responsibility and authority of the risk management function within the Institution for approval by the Accounting Officer, and oversee the performance of the risk management function;
- 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.
- Review the fraud and corruption prevention strategy and recommend for approval by Accounting Officer.
- Evaluate the effectiveness of the implementation of the fraud and corruption prevention strategy.
- Review the turnaround time of reported cases, analyse the investigation process and quality of source used for collection of data until the case is closed.
- The assessment of a Departmental ethical climate and values and whether ethics is incorporated into everyday workplace culture.

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.

- The chairperson, in his/her discretion, may invite any senior manager or any official as he/she deems appropriate to attend and be heard at meetings of the Committee.
- All apologies shall be in writing at least three days before the meeting.

7. 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 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 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 immediately following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

8. Quorum

- The quorum of the Committee meetings shall be 50% plus 1 of the members.
- The quorum for decision making purpose shall be 50% plus 1 of the members present.

9. Performance evaluation

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

10. Review of the charter

The Committee shall review the Charter annually and recommend to the Accounting Officer for approval any amendments that may be required.

Recommended by the Risk Management Committee:



Signature: _____

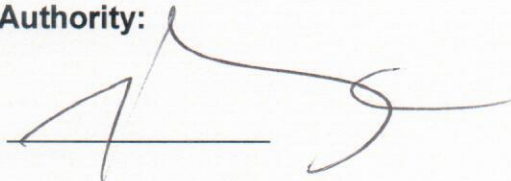
Date: _____

25/03/2019

Approved by the Accounting Officer / Authority:

Signature: _____

Date: _____


26/03/2019