



**dcstm**

Department:  
Community Safety and Transport Management  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA



# ***DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT***

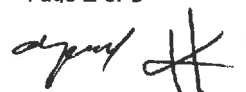
## **RISK MANAGEMENT COMMITTEE CHARTER 2025/2026**

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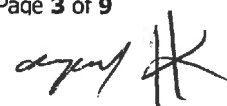
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## 1. Glossary of terms

TERM	DEFINITION
<i>Accounting Officer</i>	Refers to the Head of Department.
<i>Audit Committee</i>	An independent committee constituted to review the control, governance and risk management within the Institution, established in terms of section 77 of the PFMA.
<i>Chief Risk Officer</i>	Senior official who is the head of the risk management unit.
<i>Risk</i>	An unwanted outcome, actual or potential, to the Institution's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. This definition of "risk" also encompasses such opportunities.
<i>Risk Appetite</i>	The amount of residual risk that the Institution is willing to accept.
<i>Risk Management</i>	A systematic and formalised process to identify, assess, manage and monitor risks.
<i>Risk Management Committee</i>	A committee appointed in writing by the Accounting Officer to review the department's system of risk management.
<i>Risk Tolerance</i>	An amount of risk the Institution is capable of bearing (as opposed to the amount of risk it is willing to bear)
<i>Risk Management Unit</i>	A business unit responsible for coordinating and guiding the overall Department's risk management process, but which does not assume the responsibilities of Management for identifying, assessing and managing risks.
<i>Risk Register/Profile</i>	A list of identified risks with assessment results as well as controls and action plans <i>PFMA</i> refers Public Finance Management Act (Act



	No. 1 of 1999 as amended by Act No. 29 of 1999). Member means committee member appointed in writing by the Accounting Officer.
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## 2. Background

2.1 Managing risks is fundamental to the business of an organisation. The Public Finance Management Act (PFMA) through section 38(1) (a) (i) requires the Accounting Officer of a Department to ensure that the Department has and maintains an effective, efficient and transparent system of financial and risk management and internal control.

2.2 The King Reports on Corporate Governance prescribe that an organisation should establish a risk management structure that shall adequately identify measure, monitor and control the risks involved in its various operations and lines of business.

## 3. Purpose

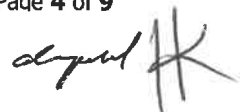
The purpose of Risk Management Committee is to assist the Accounting Officer in discharging his Risk Management responsibilities by reviewing the risk management systems, i.e. Policies and strategies, procedures and providing recommendations to ensure the effectiveness risk management processes and continuous improvement.

The Risk Management Committee should ensure alignment between the department's vision and mission, its associated risks and opportunities, strategy, and performance; since all these elements are inseparable when it comes to value creation."

## 4. Constitution & Membership

4.1 The Risk Management Committee shall consist of three (3) external members and two (2) internal members appointed in writing by the Accounting Officer with a broad base of expertise, skills and competencies. Representatives from Provincial Internal Audit and Provincial Risk Management Support will be standing invitees to the Committee

4.2 Members of the Committee, both internal and external will be appointed by the Accounting Officer in writing. Chairperson is independent from public service or an external member of the Committee.



4.3 Term of membership to the Committee is a cycle/period of 3 years (e.g. 1 May 2024 – 30 June 2027).

4.4 The term of office for members shall not be extended for more than two terms.

4.5 Representatives from Provincial Internal Audit and Provincial Risk Management Support will be standing invitees to the Committee.

## **5. Vacancy**

A vacancy in the Committee membership seat, including the Chair, resulting from death, resignation, disqualification or other reasons, shall be filled in the same way the previous member was appointed (in line with the Departmental recruitment processes as prescribed by Recruitment policy).

## **6. Roles and responsibilities of the Committee**

Over and above the general responsibilities of the Committee, the following is expected from the: -

### **6.1. Chairperson**

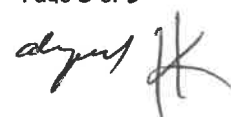
- a) The chairperson shall be responsible to drive the proceedings of the meetings,
- b) Review and sign minutes of the Committee meetings.
- c) To provide independent advice and counsel to the Accounting Officer;

### **6.2. Secretariat**

- a) Reporting risk intelligence to the Accounting Officer, Management and the Risk Management Committee; and
- b) Facilitating orientation and training for the Risk Management Committee
- c) Participating with Internal Audit, Management and Auditor-General in developing the combined assurance plan for the Institution.
- d) The Secretariat shall perform the administrative duties of the Committee as outlined in paragraph 7 of this Charter.

### **6.3 Members**

- a) Attend meetings as scheduled or communicated by Risk Management Unit,
- b) Promote a culture of risk management as an integral component of the Department's programmes, projects and activities by supporting risk management process.
- c) Annual review the risk management policy and strategy and recommend them for approval by the Accounting Officer.



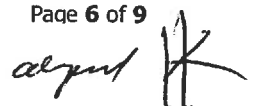
- d) Review the Combined Assurance and Business Continuity Management plans of the Department.
- e) Annual review the risk appetite and tolerance and recommend them for approval by the Accounting Officer.
- f) Review the risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register.
- g) Evaluate the effectiveness of the mitigating strategies with a view of addressing the material risks and their implementation.
- h) Report to the Accounting Officer any material changes to the risk profile of the Department.
- i) Review the Fraud Prevention Procedures and recommend them for approval by the Accounting Officer.
- j) Evaluate the effectiveness of the implementation of the Fraud Prevention Procedures.
- k) Review any material findings and recommendations by quality assurance providers (Auditors) on the system of risk management, and monitor that appropriate action is instituted to address the identified weaknesses.
- 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) To ensure that the infrastructure, resource and systems are in place and adequate for risk management to maintain a satisfactory level of risk management discipline.

## **7. Training and Development**

The Risk Management Unit shall take responsibility to acquaint members with risk management principles and processes. This may be executed either through in-house and/or formal training.

## **8. Meetings**

8.1 The Committee shall meet quarterly within the financial year. The Chairperson of the Committee or a majority of members may convene additional meetings as circumstances may dictate.



8.2. The Chairperson may temporarily appoint one of the Committee members to chair/direct the proceedings of a meeting should he/she be unable to attend where majority has attended. This arrangement will not be applied for more than 50% of the scheduled meetings.

8.3 In case of emergencies, where the Chairperson is not able to attend and the majority of members has attended; one of the external members may assume responsibilities of the chairperson and direct the proceedings of the meeting.

8.4 Where it is not possible for the Committee to sit and it happens that the meeting is cancelled; and members are already at the meeting venue;

**Only preparation and research cost and transport allowance will be paid to qualifying members of the Committee. NOT SITTING ALLOWANCE.**

## **9. Administrative duties**

9.1 The Risk Management Unit shall be the secretariat of the Committee. The secretariat shall forward the notice of each meeting of the Committee to all members not 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.

9.2 The minutes of the meetings shall be recorded by the Secretariat and sent to all members and relevant officials for comments within seven working days from the date of the meeting.

9.3 The minutes shall be approved at the following meeting, whereupon the approved minutes shall be circulated to all attendees within three working days.

## **10. Quorum**

50% plus one member constitutes a quorum. Members are expected to attend all meetings. Should a member absent himself / herself from two consecutive meetings, the matter will be reported to the Accounting Officer.

## **11. Allowance of members**

### **a) Sitting allowance**

Only external members or those independent of public service will be paid; and that will be in line with Risk Committee member's hourly rate of as determined by as Treasury Regulations.

### **b) Preparation and research allowance**

Preparation and research costs will be paid to a maximum of 2 hours for both the Chairperson and members.

### **c) Travelling and refreshments**

Members using their own vehicles shall be paid in accordance with the rates as determined by Minister of Transport. In a case where the Department paid flight expenses, members will not be allowed to claim any expenses relating to travelling.

## **12. Performance Evaluation**

### **12.1 Committee self-assessment**

The Committee shall evaluate its performance as well as that of Risk Management activities annually to evaluate its effectiveness; performance results shall be submitted to the Accounting Officer for further scrutiny.

### **12.2 Accounting Officer's performance evaluation**

The Accounting Officer should evaluate the performance of the Risk Management Committee through the following and other relevant indicators:

- (a) The results of the Risk Management Committee's own 360° assessments.
- (b) The pace and quality of the implementation of the risk management framework.
- (c) The Internal Audit report on the state of risk management.
- (d) The Auditor-General's report on the effectiveness of the Risk Management Committee; and
- (e) The quality and timeliness of the Risk Management Committee's counsel and recommendations.



### 13. Reporting

The Chairperson of the Committee shall report to the Accounting Officer on a quarterly; and the Director Risk Management will report to Departmental Management Committee through the Office of the Head of Department monthly.

The Risk Management Unit shall provide feedback to the Committee from Audit Committee, Provincial Internal audit, Auditor General and the Provincial Risk Management support.

### 14. Review of the Charter

The Committee shall review and reassess the adequacy of this Charter annually and/or as and when the need arises; and recommends any proposed changes to the Accounting Officer for approval.

### 15. Effective date of the charter


Implementation of the terms of reference shall be effective from the date of approval by the Accounting Officer.

### 16. Recommendation and approval

DISCUSSED AND ADOPTED DURING	DATE
DEPARTMENTAL MANAGEMENT COMMITTEE MEETING HELD	25/03/2025
RISK MANAGEMENT COMMITTEE MEETING HELD	26/03/2025

### 17. Approved

  
DR. HANS KEKANA  
HEAD OF DEPARTMENT  
DATE: 31 / 03 / 2025

IN AGREEMENT TO AND ACCEPT PROVISIONS OF THE RMC TERMS OF REFERENCE			
NAME	DESIGNATION	SIGNATURE	DATE
MR. A KYEREH	CHAIRPERSON		27/03/2025