



RISK MANAGEMENT CHARTER 2025/2026

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1. CONSTITUTION

The Municipal Finance Management Act, No. 56 of 2003, Section 62(1)(c) requires the Accounting Officer to ensure that Thabo Mofutsanyana District Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The extension of general responsibilities, in terms of Section 79 of the MFMA, to top management is the cornerstone in the institutionalisation of risk management in the municipalities. The Constitution of the Republic of South Africa is the fundamental legislative framework for creating good governance in the public service.

In terms of King IV Report on Corporate Governance for South Africa – The Risk Committee should assist the Council with the governance of risk, and the Council should govern the risk and the opportunity in a way that support the municipality in defining core purposes and to set and achieve strategic objectives.

2. OBJECTIVES

The primary objective of the Committee is to assist the Accounting Officer in discharging his / her accountability for risk management by reviewing and assessing the effectiveness of the municipality's risk management and control process and provide recommendations for improvement and further present their findings to Audit and Performance Committee.

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 Institution, 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 Institution.

Members will be appointed for a term that is in line with the Council term of office. However, the Chairperson shall be appointed for a minimum of three (3) years and not exceeding six (6) consecutive years. After serving consecutively for 6 years, a cooling off period of three years should be provided for before appointing the same chairperson to the same risk management committee.

Membership shall comprise:

- The chairperson - Independent
- Director Corporate Services
- Chief Financial Officer
- Director Community Services, LED and Agriculture
- Director Technical Services

Standing invitees to the Committee shall be:

- Risk Manager (Chief Risk Officer)

- Manager Internal Audit (Chief Audit Executive)
- Other members of management reporting directly to the Accounting Officer
- Any other person who may be invited to provide specialist skills, advice and counsel.

4. AUTHORITY

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.

For the purposes of the functioning of the Committee, in the event where the Committee comprises of non-executive managers, executive managers must obey the request to appear before them and the traditional rank hierarchy in the Thabo Mofutsanyana District Municipality shall not apply. This implies that in the context of the functioning of the Committee every official should abide by the authority of this Committee.

5. ROLES AND RESPONSIBILITIES

The Chairperson has the overall responsibility of directing and monitoring the activities of the Risk Management Committee.

All Committee members shall provide information to the Committee as and when required thus enabling the Committee to assist the Accounting Officer in carrying out his/her responsibilities as required by MFMA.

The duties of the Committee shall be to:

- Review the risk management policy and strategy and recommend for approval by the Council;
- Review the risk appetite and tolerance and recommend for approval by the Accounting Officer;
- Review the institution's 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 Institution;
- Report to the Accounting Officer any material changes to the risk profile of the Institution;
- Review the fraud prevention policy and recommend for approval by the Council;
- Evaluate the effectiveness of the implementation of the fraud prevention policy;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate actions are instituted to address the identified weaknesses;
- Develop goals, objectives and key performance indicators for the Committee for approval by the Accounting Officer;
- Develop goals, objectives and key performance indicators to measure the effectiveness of the risk management activity;

- 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.

The Committee shall not perform any management functions or assume any management responsibilities as a committee but will in their capacity as members of management be accountable for the risk management process within their service and promote this culture/ responsibility with every employee.

6. MEETINGS

The Committee shall meet at least **four (4)** 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.

At each meeting, Committee members should declare their interest, both with respect to items on the Agenda and with respect to overall independence. It is recommended that the declarations as well as attendance recording be guided by the Secretariat for both physical and/or virtual meetings. At each meeting where a personal interest has been disclosed, then the Committee member should excuse him/herself from that part of the meeting.

7. REMUNERATION

The remuneration for the Chairperson of the Committee not holding any office position in Local Government shall be remunerated in terms of National Treasury Guidelines as per **MFMA Circular 65**, for the Remuneration of Non-Official Members, Commissions, Committees of Inquiries and Audit Committees, otherwise the RMC Chairperson shall be reimbursed Travel Costs if he/she is employed in any Local Government. **The Chairperson shall be remunerated for preparation, accommodation and travel costs if employed in Local Government.**

8. ADMINISTRATION DUTIES

The Risk Manager, or such person as appointed by the Committee, 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 immediate following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

9. QUORUM

A minimum of 50% of members plus chairperson present in the meeting constitutes a quorum. A permanent member of the Committee may nominate, in writing 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. Only written apologies for not attending the meetings will be accepted by the Committee. Meeting shall not proceed in the absence of the appointed Committee Chairperson.

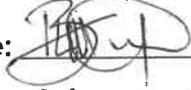
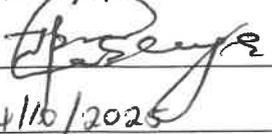
10. PERFORMANCE EVALUATION

The Committee shall be evaluated by the Accounting Officer at least annually for its performance in terms of its charter.

11. REVIEW OF THE CHARTER

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

12. APPROVAL OF RISK MANAGEMENT COMMITTEE CHARTER

Prepared by: Risk Manager	
Name: Mr. Mokhantso, L.B.	
Signature: 	_____
Date: 26-09-2025	_____
Recommended by: Interim Risk Management Committee Chairperson	
Name: Ms. Mdaka, N.P.	
Signature: 	_____
Date: 10-10-2025	_____
Approval by: Municipal Manager	
Name: Ms. Lebenya, T.P.M.	
Signature: 	_____
Date: 14/10/2025	_____
Noting by: Council	
Council's resolution date: 31 / 10 / 2025	_____