

- Seek any information it requires through the office of the Accounting Officer, Regional Head or an official at a General Manager level from any employee and all employees are directed to co-operate with any request made by the Risk Committee; and
- Obtain legal or other professional advice from the Legal division or Internal audit if it considers this necessary. Any such activities should be made subject to the approval of the Accounting Officer, Regional Head or an official at a General Manager level.

3. STATUS

The Risk Committee has non-executive status in an advisory capacity to the Accounting Officer, Regional Heads and or General Managers. The membership of this committee is on a voluntary basis. Under no circumstances will the Risk Committee will be involved in any operational aspects of the management and control of the Department. However, the powers of the Risk Committee shall not be limited in any way, which would prevent it from properly performing its duties. Furthermore, the Risk Committee shall have unrestricted access to records and employees to obtain information needed to perform its duties.

4. RESPONSIBILITIES AND DUTIES OF THE RISK COMMITTEE

4.1. Responsibilities related to the management

The Risk Committee should oversee the management in carrying out its responsibilities as they relate to the Department:

- (a) Financial, management and other reporting practices;
- (b) Internal controls and management of risks;
- (c) Compliance with laws, regulations and ethics.

4.1.1 Financial, management and other reporting practices

- (a) To review and assess the adequacy of management reports to the management in terms of the quantity, quality and timing of information necessary to understand and report internally and externally on the Department's risks, operation and financial condition. This would mean that internal audit reports must be made available to such committee on a regular basis.
- (b) To facilitate review of significant transactions with members of internal audit unit that do not normally form part of the Department's business.

4.1.2 Internal controls and management of risks

The Risk Committee should understand the Department's major risk areas including the financial, legal and fiscal risk and the internal controls environment, and should monitor the control process and the adequacy of the Department's system of internal control by reviewing Internal and External Audit reports and:

- (a) Be constantly aware of the current areas of the greatest financial risk and ensure management are effectively managing the risks;
- (b) Ensure that effective systems of accounting and internal controls are established and maintained to manage financial risk;
- (c) Satisfy itself as regards the integrity and prudence of management control systems, including the review of policies and/or practices;
- (d) Ensure that management is aware of any matters that might have a significant impact on the financial condition or affairs of the Department;
- (e) Monitoring the accomplishment of established objectives through the mission statement business plan and the transformation process.

4.1.3 Compliance with law, regulations and ethics

The Risk Committee should ensure that the management of the Department has the necessary mechanism in place to ensure that there is compliance with pertinent laws and regulations, is conducting its affairs ethically, and is maintaining effective controls against conflicts of interest and fraud. The specific steps involved in carrying out this responsibility include:-

- (a) Review policy documents which should incorporate
- (b) Compliance with laws, regulations, ethics, and policies;
- (c) Rules regarding conflict of interest;
- (d) Disaster recovery plans;
- (e) Monitor the compliance with the above laws and regulations;
- (f) Take note of significant cases of employee conflicts of interest, misconduct, or fraud and the resolution of the cases;
- (g) Ensuring that this facet is covered in the Internal Audit plan;
- (h) Reviewing the Internal Auditor's written report concerning the scope of review of compliance, any significant findings, and the resolution and follow-up on findings and recommendations;
- (i) To monitor developments and changes in the law relating to the responsibilities and liabilities of management and to monitor and review the extent to which the management is meeting its obligations;

- (j) To monitor developments and changes in the various rules, regulations and laws which relate generally to the Department's operations and to monitor and review the extent to which the Department is complying with such laws.

For these and informative purpose, all intended amendments and additions to policy, statutory frameworks and guidelines that impact on financial administration should be conveyed to the Risk Committee by management.

The Risk Committee must review arrangements established by management for compliance with regulatory and financial reporting requirements.

4.2. Reporting responsibilities

The Chairperson of the Regional Risk Committee would report to the relevant regional head and to the Departmental risk committee chairperson on all activities pertaining to risk management, deviations noted if any and concerns by the Internal Audit or the External Auditors.

The Risk Committee must report and make recommendations to the Head of the Regions, Accounting officer or General Managers, but the latter retains responsibility for implementing such recommendations.

The Risk Committee must communicate any concerns it deems necessary to the relevant management level, and if appropriate, to the risk management division.

4.3. Other Responsibilities

The Risk Committee should report to the management any matter identified during the course of carrying out its duties that it considers significant.

To perform or undertake on behalf of the management any such other tasks or actions as the management may from time to time authorise.

5. MEMBERSHIP OF THE RISK COMMITTEE

The Risk Committee will comprise of at least three staff members of the Department, with the majority of the members not exceeding 7 and is on a voluntary basis. Risk committee would be established at regional level and head office (Departmental) level. The chairperson's of the Regional committee will automatically become members of the Departmental risk committee. This is to ensure smooth and integrated risk management.

The following persons have standing invitations to all Risk Committee meetings and may attend any of their meetings.

- (a) The Accounting Officer or his/her representative;
- (b) The Head of Internal Audit
- (c) The Chief Financial Officer or his/ her representative.

The Risk Committee may also invite such other persons, as it deems necessary. The committee will choose a staff member to act as a Secretary. The Secretary shall circulate the minutes of the Risk Committee to all members of the Risk Committee. The chairperson after confirmation of the proceedings should send a copy of the same to the relevant management official.

The members shall serve the Risk Committee for a period of two years renewable to maximum of three years reckoned from the on which the member actually assumes duty. The accounting officer reserves the right to remove any official from the membership of the risk committee on recommendation from the Head of Risk management.

6. REMUNERATION OF RISK COMMITTEE MEMBERS

As this is a voluntary committee formed by the official of the Department no additional remuneration is offered for the serving committee members.

All members of the committee are entitled for a travel expense claim for kilometre travelled as this would form part of their official duties. However any travel for whatsoever reason must be pre approved by their immediate supervisor.

7. BENEFITS OF HAVING A RISK COMMITTEE

Certain benefits will accrue to the Department, when the risk committee functions effectively. These include:

- (a) That risk management practices are applied
- (b) That sound corporate governance practices are applied
- (c) That the system of internal control is adequate and functioning effectively
- (d) That fraud and corruption is being dealt with effectively.
- (e) Capacity building to staff members.

8. RISK COMMITTEE MEETINGS

8.1. Meeting Procedures

The chairperson may request any member of staff to attend any particular meeting.

Adequate notice in writing should be given to all members of the risk committee and other interested persons, of each meeting to be held. Normally meetings will be planned for the year ahead.

The quorum for a meeting should be 50 percent plus one of the formal members. If a quorum is not present at a meeting, the meeting may proceed with the

understanding that it is subject to ratification by the ensuing risk committee meeting, which would require a proper quorum.

If the chairperson is absent from a specific meeting, the members present need to elect a chairperson from the members present to act as chairperson at that meeting.

8.2. Responsibility for the agenda and the distribution of the minutes

The secretary of the risk committee is responsible for arranging the meetings of the risk committee and the gathering and distribution of the agenda papers and minutes. Draft minutes of the meeting should be prepared for review by the chairperson of the risk committee within seven days after the meeting has been held. Copies of the revised minutes must be distributed to those who were present at the meeting, absent members, accounting officer and the executive authority.

9. EVALUATION OF THE EFFECTIVENESS OF THE RISK COMMITTEE

It is the responsibility of the chairperson to facilitate the evaluation of the effectiveness of the risk committee and to make any recommendations to improve its effectiveness, if necessary. The risk committee should periodically review the adequacy of the risk committee charter.

APPROVED/NOT APPROVED

MR. S NGUBANE

ACTING: HEAD OF DEPARTMENT

DATE -----