# MOPANI DISTRICT MUNICIPALITY

# RISK MANAGEMENT POLICY

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## 1. INTRODUCTION

The Accounting Officer has committed the Mopani District Municipality to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA), Act no.56 of 2003.

## 2. DEFINITIONS

**Risk** refers to an unwanted outcome, actual or potential, to the municipality'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. Such opportunities are encompassed in this definition of risk.

**Risk management** is a systematic and formalised process instituted by the municipality to identify, assess, manage and monitor risks.

**Council** means the municipal Council.

**Accounting Officer** means the Municipal Manager and he/she is the head of administration in the municipality.

**Chief Risk Officer** means a senior official who is the head of the risk management unit.

**Audit Committee** is an independent committee constituted to review the control, governance and risk management within the institution established in terms of section 166 of MFMA.

**Risk Champions means** the nominated officials within respective directorates that will be responsible to assist the Chief Risk Officer with updating of risk reporting information appointed officials.

**Risk management unit is** a business unit responsible for coordinating and supporting the overall institutional risk management process, but which does not assume the responsibilities of management for identifying, assessing and managing.

**Risk Management Committee** is a committee appointed by the Accounting Officer to
review the Institution's system of risk management.

**Management** means all Senior Managers and Managers sitting in management meetings of the municipality.

**Internal Auditing** is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

## 3. POLICY INTENT

The aim of this policy is to ensure that the Mopani District Municipality makes informed decisions with regard to the activities that it undertakes by appropriately considering both risks and opportunities.

The municipality recognizes that risk management is a systematic and formalized process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk.

## 4. POLICY STATEMENTS

Mopani District Municipality is committed to the effective risk management and treatment of risk in order to achieve the municipality's objectives.

Management of risk is the responsibility of all Council, Senior Management and operational employees. In Accordance with Section 62 (1) (c) (i) of the MFMA:

**"The Accounting Officer of the Municipality must ensure that the municipality/entity has and maintains: Effective, efficient and transparent systems of financial and risk management and internal control."**

It is important that employees become aware of the risks associated with their area of work and must manage these risks to be within tolerance level by using risk management response strategies outlined in the Municipality's Risk Management Strategy.

## 5. POLICY OBJECTIVES

- To explain Mopani District Municipality approach to risk management and ensure that it has a consistent and effective approach to risk management;
- To ensure that Mopani District Municipality culture and processes encourage the identification assessment and treatment of risks that may affect its ability to achieve its objectives;
- To explain key aspects of risk management;
- To clearly indicate the risk management reporting procedures;

- To hold management and officials accountable for the implementation of risk management on their area of responsibility;
- To create an environment where all Mopani District Municipality employees take responsibility for managing risk;
- To create more risk aware organizational culture through enhanced communication and reporting of risk;
- To improve corporate governance and compliance with relevant legislation;
- The implementation of this policy will provide the Mopani District Municipality with a basis and a framework for:
    - more confident and rigorous decision-making and planning;
    - better identification of opportunities and threats;
    - pro-active rather re-active management;
    - more effective allocation and use of resources;
    - improved management and reduction in loss and cost of risk;
    - improved stakeholder confidence and trust;
    - a clear understanding by all staff of their roles, responsibilities and authorities for managing risk.

## 6. PRINCIPLES

- Risk management is recognised as an integral part of responsible management and therefore, Mopani District Municipality adopts a comprehensive approach to the management of risk. The features of this process are outlined in the municipality's Risk Management Strategy. It is expected that all Components' operations and processes will be subject to the risk management strategy. It is the intention that these components work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

- The realisation of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as take informed decisions under conditions of uncertainty.

- We subscribe to the fundamental principles that all resources will be applied economically to ensure:
  - The highest standards of service delivery;
  - A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
  - Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
  - Maintaining an environment, this promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

- An entity-wide approach to risk management is adopted by the municipality, which means that every key risk in each part of the municipality will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the municipality's systems and processes, ensuring that our responses to risks remain current and dynamic. All risk management efforts will be focused on supporting the municipality objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

- Risk management must be embedded in the strategic planning of Mopani District Municipality.
- As risk management is necessary for planning and decision making. Risk management must be embedded in all the decision making processes. Before decision is taken, the risks it poses must be identified.
- Mopani District Municipality risk tolerance level must be determined by top management and is outlined in the Risk Management Strategy.
- The associated risks of proposed actions and decisions must be properly identified, evaluated and managed to ensure that exposures are acceptable.
- Mopani District Municipality will conduct a risk assessment on an annual basis with a review or re-assessment of the risks conducted on quarterly basis to ensure maximum mitigation thereof.
- Risks will be owned and managed by the Units where the risk resides.
- This policy is subject to an annual review in line with risk management framework.

## 7. ACCESS TO INFORMATION

Chief Risk Officer (CRO) and staff of Risk Management are authorized to:

- Have unrestricted access to all municipality's functions, records, property and personnel. Also considering the POPI Act.

- Have full, free and unrestricted access to the Accounting Officer, the Chairperson of the Risk Management Committee, management meetings and the Auditor-General.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish Risk Management objectives.
- Obtain the necessary assistance of personnel in units of the Municipality where risk assessments are performed, as well as other specialized services from within or outside the Municipality.
- Risk Management must be a standing item on the management meetings.

## 8. PROJECT RISK MANAGEMENT

Project Risk Management is the systematic process of identifying, analyzing, and responding to project risks,

- maximizing the probability and consequences of positive events (opportunities) to project objectives and;
- minimizing the probability and consequences of adverse events (threats) to project objectives.

The project risk assessment will be conducted in line with the approved municipality risk management strategy as methodology adopted by the municipality.

## 9. ROLE PLAYERS

Every employee is responsible for executing risk management processes and adhering to risk management procedures laid down by the municipality management in their areas of responsibilities.

## 9.1 RISK MANAGEMENT OVERSIGHT

### 9.1.1 COUNCIL

The Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the municipality against significant risks.

### 9.1.2 AUDIT COMMITTEE

The Audit Committee is an independent committee responsible for oversight of the municipality's control, governance and risk management. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter.

The Audit Committee provides an independent and objective view of the municipality's risk management effectiveness.

Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to: Risk Management

### 9.1.3 RISK MANAGEMENT COMMITTEE

The Risk Management Committee is appointed by the Accounting Officer to assist him to discharge his responsibilities for risk management.

The Committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality, and the responses to address these key risks. The responsibilities of the Risk Management Committee are formally defined in its charter.

The Risk Management Committee will submit a quarterly report to the Accounting Officer that will outline the work performed by the committee in that specific quarter and must consider the responsibilities outlined in the risk management committee charter.

## 9.2 RISK MANAGEMENT IMPLEMENTERS

### 9.2.1 ACCOUNTING OFFICER

The Accounting Officer is the ultimate Chief Risk Officer of the municipality and is accountable for the municipality's overall governance of risk. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

### 9.2.2 MANAGEMENT

Management is responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines.

### 9.2.3 OTHER OFFICIALS

Other officials are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

## 9.3 RISK MANAGEMENT SUPPORT AND REPORTING PROCESS

### 9.3.1 REPORTING BY THE CHIEF RISK OFFICER

The Chief Risk Officer is the custodian of the Risk Management Strategy, and coordinator of risk management activities throughout the municipality. The primary responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the municipality to embed risk management and leverage its benefits to enhance performance.

The Risk Owners must submit monthly reports on risk management activities in their units to the Chief Risk Officer.

The Chief Risk Officer will submit a quarterly report to the Risk Management Committee who will submit to Accounting Officer. Risk Committee Chairperson will then submit the report to the Audit Committee, on risk management activities not limited to the following:

- What has been done to date to implement the control measures in different units,
- The effectiveness of the control measure in addressing / eliminating / managing the identified risks.
- Any new potential risks that may arise in different units.
- To what extent a culture of risk management has been implemented in the Municipality/Entity.

### 9.3.2 RISK CHAMPIONS

Risk champions are the nominated officials within respective directorates that will be responsible to assist the Chief Risk Officer with updating of risk reporting information and they will be a key contact of the Chief Risk Officer at each directorate/unit.

## 9.4 RISK MANAGEMENT ASSURANCE PROVIDERS

### 9.4.1 INTERNAL AUDIT

The role of the Internal Auditing in risk management is to provide an independent, objective assurance on the effectiveness of the municipality's system of risk management. Internal Auditing must evaluate the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

### 9.4.2 AUDITOR GENERAL

The Auditor-General provides an independent opinion on the effectiveness of risk management.

An entity-wide approach to risk management will be adopted by the Institution, which means that every key risk in each part of the Institution will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the Institution's systems and processes, ensuring that our responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the Institution's objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

## 10. MONITORING & EVALUATION

The Chief Risk Officer must monitor the effectiveness of risk mitigating strategies on quarterly and monthly basis;

The Risk Management Committee must monitor implementation and effectiveness of the risk management function quarterly.

The internal audit unit must provide independent assurance on the effectiveness of risk management activities in line with their internal audit coverage plan.

Accounting Officer as the custodian of risk management should evaluate the performance of Risk Management Committee at least annually, in line with the responsibilities outlined in the approved Risk Management Committee Charter and also evaluate the performance of Chief Risk Officer in consultation with Risk Management Committee while the institutional evaluation will be done using Financial Capability risk maturity model available in the National Treasury website. Evaluation on risk management can be outlined in detailed on the Risk Management Strategy.

## 11. POLICY ADMINISTRATION

This Policy shall be reviewed annually to reflect the current stance on risk management.

The amendments will be sent to the Risk Management Committee for recommendation and to Accounting Officer, Audit Committee for acknowledgement and final approval by Council.

**THE RISK MANAGEMENT POLICY WAS REVIEWED BY THE AUDIT COMMITTEE AND RECOMMENDED TO COUNCIL FOR APPROVAL:**

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**M.A MMAPHETO** **DATE**

**RISK COMMITTEE CHAIRPERSON**

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**THE RISK MANAGEMENT POLICY WAS NOTED BY THE MUNICIPAL MANAGER AND RECOMMENDED TO COUNCIL FOR APPROVAL:**

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**T.J MOGANO** **DATE**

**MUNICIPAL MANAGER**

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**COUNCIL'S APPROVAL**

**Resolution NO: SCD/16/2024** **16 May 2024**

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**COUNCIL RESOLUTION NUMBER** **DATE**

**MOPANI DISTRICT MUNICIPALITY**

# MOPANI DISTRICT MUNICIPALITY

# RISK MANAGEMENT COMMITTEE CHARTER

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## 1. INTRODUCTION

Section 62(1) of Municipal Finance Management Act no 56 of 2003 require that the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has maintain effective, efficient and transparent systems of financial and risk management and internal control. This is further supported by the following legislative and regulations, namely; National Treasury Public Sector Risk Management Framework (Revised; 2008), Batho Pele Principles (1997), International Standards for the Professional Practice of Internal Auditing and King III Code on Good Corporate Governance (2009).

The Risk Management Committee is hereby established and authorized to perform the duties outlined in this charter. The charter sets out the roles and responsibilities outlined in the Public Sector Risk Management Framework.

## 2. OBJECTIVE

The primary objective of this Charter is to set out the nature, roles, responsibilities, status and authority of the Risk Management Committee. The mission of this committee is to define, promote and implement an Integrated Risk Management Policy which is consistent with the mission and strategic goals of the municipality, and is designed to safeguard municipal assets while allowing sufficient operational freedom to ensure that service delivery is taken place satisfactorily.

## 3. MEMBERSHIP

Risk Management Committee is a sub-committee of Senior Management of the municipality and is currently chaired by an external official. The Committee is composed of senior representative of each core department appointed by the Accounting Officer and the member shall possess the blend of skills, expertise and knowledge of the institution including the practice and principle of risk management within the institution. Risk champions are not members of the Risk Management Committee but should assist the Risk Owners to resolve problems.

## 3.1 COMPOSITION

The committee shall comprises of the following members:

- Chairperson of the committee preferably an independent person or member not in the employee of the municipality,
- Chief Financial Officer,
- Senior Manager Corporate Services,
- Senior Manager Community Services,
- Senior Manager Planning and Development,
- Senior Manager Water Services,
- Senior Manager Technical Services,
- Manager Office of the Executive Mayor,
- Manager Office of the Municipal Manager,
- Chief Risk Officer,
- Chief Audit Executive
- Manager Legal Services

**Standing invitees to the Committee shall be:**

- Provincial Treasury and Coghsta
- Deputy Manager IT
- Manager IDP

## 3.2 APPOINTMENT OF MEMBERS

The Accounting Officer shall appoint members in writing and all Senior /Managers shall serve as members of the committee. If a position of a Senior Manager is vacant, the person appointed to act in the capacity of the incumbent shall be expected to serve in the committee until such position is filled. In a case wherein the member cannot be present to attend the meeting, a person acting on his/her behalf shall be expected to attend the meeting.

The Accounting Officer shall appoint an independent official outside the employ of the municipality either in writing to chair the committee or an advertisement will be placed in a newspaper to attract members with vast experience in risk management to apply to serve as chairperson of the committee

### 3.3 TERMINATION OR REMOVAL OF MEMBERS

The Accounting Officer can remove any member of the committee if his/her employment contract is terminated. Members shall serve in the committee as long as they are still in the employ of the municipality except for the Chairperson of the committee. His/ her service will only be for three (3) years and shall be renewed by the Accounting Officer for a period not exceeding two (2) terms.

## 4. TERMS OF REFERENCE

### 4.1 ROLES AND RESPONSIBILITIES/COMBINED ASSURANCE

#### 4.1.1ROLES AND RESPONSIBILITIES RISK MANAGEMENT COMMITTEE

The duties of the Committee shall be to:

- Oversee the development and review of the risk management strategy, policy and implementation plans and recommend for approval by the Accounting Officer;
- Review the risk appetite and tolerance levels and recommend for approval by the Accounting Officer;
- Oversee the development and review of the institution's risk identification and assessment methodologies to ensure the completeness and accuracy of the risk registers;
- Monitor the implementation of the risk policy, strategy and implementation plans to ensure their effectiveness and efficiency;
- 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;
- Undertake impact assessments of emerging risks that face the organization on an ongoing basis;
- Review the fraud prevention strategy/policy and plans; and recommend for approval by the Accounting Officer;
- 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 action is 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 function;
- Ensure that continuous risk monitoring by management takes place;
- 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.

### 4.1.2 ROLE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee is an independent committee responsible for oversight of the municipality's control, governance and risk management. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter. The Audit Committee provides an independent and objective view of the municipality's risk management effectiveness.

### 4.1.3 COMBINED ASSURANCE

- Combined assurance ensures that resources are efficiently utilised, i.e. ensures that no duplication of efforts occurs and that all parties address the risks. Mopani District Municipality's stakeholders need assurance on all activities within the Municipality, including the adequacy and effectiveness of governance, risk management and internal controls as well as performance information.
- Assurance is provided by various internal and external assurance providers, each with its own mandate, objective, scope, responsibilities and legislative/policy/professional requirements. A key principle of good corporate governance is that a Combined Assurance model should be applied to provide a coordinated and integrated approach to all assurance activities, thereby ensuring proper coverage minimising duplication of efforts. Combined Assurance must be sufficient to satisfy the Risk Committee that significant risks facing the Municipality had been adequately addressed. The process of combined assurance allows visibility over what assurance is provided and by whom within the Municipality.
- Principle 15 of the King IV report states that the Governing Body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisations external reports. In this regard the Risk Committee is delegated to oversee the combined assurance arrangements are effective in achieving its objectives. The combined assurance must ensure that annual risk analysis is conducted by the Mopani District Municipality.

## 4.2MEETINGS

### 4.2.1 FREQUENCY

The Committee shall meet at least four times per annum. The Chairperson may convene additional meetings as circumstances may dictate. These meeting shall be arranged by the Secretariat of the committee through consultation with the Chairperson of Risk Management Committee.

### 4.2.2 NOTICE OF MEETINGS

Notice of the meeting shall be in writing to all members and emailed it to members and their secretaries if applicable and to any other extended invitees. Members of Risk Management Committee shall be notified five (5) days prior to the meeting or unless there's an urgent need to hold a meeting. The notice shall confirm the venue, time, date and agenda. Apologies shall be forwarded to the secretary in writing no verbal apology will be accepted.

### 4.2.3 AGENDA

Agenda will be issued under the directive of the Chairperson of Risk Management Committee and be prepared for each meeting together with the relevant documents for discussion. Relevant document for discussion shall be provided to the members at least 5 days before the meeting via electronic device (email).

### 4.2.4 MINUTES

The Secretariat shall keep the minutes of all meetings and shall distribute draft minutes to the Chairperson 7 working days after the meeting. The minutes shall be included in the next pack of the Risk Management Committee 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.

### 4.2.5 ATTENDANCE OF MEETING

All members shall be expected to attend meetings and in any circumstance that the member will not be able to attend the meeting he/she must send a delegate.

### 4.3 REMUNERATION OF COMMITTEE MEMBERS

Any official member (i.e. person within the public service) may not receive the remuneration for serving on the Committee. However, the Chairperson of the committee shall be paid a sitting allowance as per Treasury regulation no 20.2.2 together with travelling expenses incurred to attend the meeting which shall be determined according to AA tariffs. An amount of R1070.00 will be paid to the Risk Management Committee Chairperson for preparation allowance and kilometer's travelled.

## 5. PERFORMANCE EVALUATION

It is the responsibility of the Risk Management Committee to evaluate the effectiveness of the committee on an annual basis to make recommendations to improve such effectiveness.
The Committee shall evaluate its performance at least annually in terms of its charter using the attached form.

## 6. REVIEW OF THE CHARTER

The Committee shall review the Charter annually if need be and recommend to the Accounting Officer for approval any amendments made.

## 6. APPROVAL OF CHARTER

Mopani District Municipality Risk Management Committee Charter is adopted on behalf of the Risk Management Committee by the Chairperson of Risk Management Committee and approved by the Municipal Manager.

**The Charter was adopted on behalf of the Committee by:**

| | |
|---|---|
| ………………………………………………… | ……………………… |
| **Chairperson of Risk Management Committee** | **Date** |
| **Mr.M.A Mmapheto** | |

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**The Risk Management Committee Charter was approved by the Municipal Manager on behalf of the municipality:**

| | |
|---|---|
| …………………………………… | ………………………… |
| **Municipal Manager** | **Date** |
| **Mr.T.J Mogano** | |

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**COUNCIL'S APPROVAL**

| | |
|---|---|
| **Resolution NO: SCD/16/2024** | **16 May 2024** |
| …………………………………… | ………………………… |
| **COUNCIL RESOLUTION NUMBER** | **Date** |
| **MOPANI DISTRICT MUNICIPALITY** | |

RISK MANAGEMENT COMMITTEE

SELF EVALUATION TOOL

RISK MANAGEMENT COMMITTEE:

SELF EVALUATION FORM

In the expedition towards improvement, and to assist the Risk Management Committee (RMC) to add more value to the municipality, please complete the evaluation questionnaire which is divided into 7 parts.

Part A: Composition and quality,

Part B: Understanding performance of local government and related risk,

Part C: Oversight of internal and external auditors,

Part D: Process and procedure

Part E: Communication

Part F: Oversight of internal control, risk management, governance and financial reporting

Part G: Performance overall

The questionnaire is based on best practice guides and it appropriately considers the requirements and expectations of the RMC as per the Public Sector Risk Management Framework and National Treasury.

For each of the statements, select a number between 1 and 5 by putting the cross on the number you selected with the following:

1: strongly disagree

2: disagree

3: Average

4: Agree

5: strongly agree.

Where you selected between 1 and 3 please put your comment of what you think needs to be done for improvement.

**Please complete the form and send it back to CRO**

***Acronyms***

RMC (Risk Management Committee)

CRMC (Chairperson of Risk Management Committee)

CAE (Chief Audit Executive)

MIA (Manager Internal Audit)

AO (Accounting Officer)

CRO (Chief Risk Officer)

AC (Audit Committee)

| | | Strongly Disagree | Disagree | Average | Agree | Strongly Agree | Comments |
|---|---|---|---|---|---|---|---|
| **A.** | **Composition and Quality** | | | | | | |
| 1.1. | The RMC understands its duties and responsibilities. | 1 | 2 | 3 | 4 | 5 | |
| 1.2. | The committee is independent and objective in performing its duties. | 1 | 2 | 3 | 4 | 5 | |
| 1.3. | The committee discharges its duties and responsibilities in line with its formally adopted charter. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.4 | The RMC chairperson is independent and possesses risk management, business, financial, leadership skills including fraud and corruption. | 1 | 2 | 3 | 4 | 5 | |
| 1.5 | RMC members regularly declare interest in every meeting. | 1 | 2 | 3 | 4 | 5 | |
| 1.6 | The committee consists of an independent chair. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.7 | The committee reviews its charter annually to determine whether it still adequately addresses its mandate. | 1 | 2 | 3 | 4 | 5 | |
| 1.8 | An orientation program exists to familiarize the newly appointed members within the municipality's and with the committee's mandate and processes. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.9 | Members participate in some form of continuing professional development to keep abreast of changes in relevant fields such as auditing, accounting, risk management, and corporate governance. | 1 | 2 | 3 | 4 | 5 | |
| 1.10. | The RMC actions reflect independence from management, ethical behavior and best interest of stakeholders. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.11. | The RMC chairperson's leadership is effective. | 1 | 2 | 3 | 4 | 5 | |
| **B.** | **Understanding performance local government and related risks** | | | | | | |
| 1.1. | The committee understands the municipality's internal control and governance environment. | 1 | 2 | 3 | 4 | 5 | |
| 1.2. | The committee understands the municipality risk profile | 1 | 2 | 3 | 4 | 5 | |

| | | Strongly Disagree | Disagree | Average | Agree | Strongly Agree | Comments |
|---|---|---|---|---|---|---|---|
| C. | **Oversight of Internal and External auditors** | | | | | | |
| 1.1. | The committee appropriately resolves disputes between the CRO and management. | 1 | 2 | 3 | 4 | 5 | |
| 1.2. | The RMC reviews both the findings and recommendations by internal and external auditors to ensure that significant risk management audit findings raised and agreed actions to recommendations are implemented. | 1 | 2 | 3 | 4 | 5 | |

| | | Strongly Disagree | Disagree | Average | Agree | Strongly Agree | Comments |
|---|---|---|---|---|---|---|---|
| **D.** | **Process and Procedure** | | | | | | |
| 1.1. | The committee thoroughly prepares for their meetings. | 1 | 2 | 3 | 4 | 5 | |
| 1.2. | The agenda and prior meeting minutes are circulated in advance of meetings to allow members sufficient time to thoroughly prepare for the meeting. | 1 | 2 | 3 | 4 | 5 | |
| 1.3. | The committee meets at least four times per annum. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.4. | The Committee has private meetings with the CAE in this instances were refer to MIA and AO. | 1 | 2 | 3 | 4 | 5 | |
| 1.5. | The committee has private meetings with the CRO. | 1 | 2 | 3 | 4 | 5 | |
| 1.6. | The committee charter deals with the committee's purpose, authority, and responsibilities. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.7. | Members sufficiently attend scheduled meetings. | 1 | 2 | 3 | 4 | 5 | |
| 1.8 | The RMC encourages input on the meeting agenda from the CPRMC | 1 | 2 | 3 | 4 | 5 | |
| 1.9 | The members participate in the development of a calendar for their meetings in consultation with the CRO, CPRMC and referred it to AO. | 1 | 2 | 3 | 4 | 5 | |

| | | Strongly Disagree | Disagree | Average | Agree | Strongly Agree | Comments |
|---|---|---|---|---|---|---|---|
| 1.10 | For matters that require specialized expertise the committee lacks, an expert opinion is sought. | 1 | 2 | 3 | 4 | 5 | |
| 1.11 | Risk management reports adopted the by the committee reflects the significant activities, actions, and recommendations of the committee. | 1 | 2 | 3 | 4 | 5 | |
| **E.** | **Communication** | | | | | | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.1. | The committee regularly reports to AC. | 1 | 2 | 3 | 4 | 5 | |
| 1.2. | There is an acceptable level of openness between the committee, internal and external auditors. | 1 | 2 | 3 | 4 | 5 | |
| **F.** | **Oversight of Internal Controls, Risk Management, Governance, and Financial Reporting** | | | | | | |
| 1.1. | The committee reviews the adequacy, reliability, and accuracy of information provided to management and other users of such information. | 1 | 2 | 3 | 4 | 5 | |

| | | **Strongly Disagree** | **Disagree** | **Average** | **Agree** | **Strongly Agree** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1.2. | The committee reviews the municipality's compliance with relevant legal and regulatory requirements. | 1 | 2 | 3 | 4 | 5 | |
| 1.3. | The committee provides constructive feedback to the CRO at least quarterly in respect of risk management processes. | 1 | 2 | 3 | 4 | 5 | |

*Overall Comments*

MEMBER'S FULL NAMES:……………………………………………

DESIGNATION:……………………………………………………

DEPARTMENT:……………………………………………………

SIGNATURE:………………………………………