



**RISK MANAGEMENT COMMITTEE CHARTER**

## **1. Introduction**

This is the Risk Management Committee Charter (“Charter”) for University of Limpopo (“University”).

This Charter governs the processes of the Risk Management Committee (“Committee”) and outlines the procedures and guidelines in relation to the role of management of the University. It governs the composition, membership, roles and responsibilities of the Risk Management Committee of the University. The operation of the Committee is also governed, where applicable by the University Council.

Effective functioning of the Risk Management Committee will ensure:

- That risk management practices are applied
- That sound corporate governance practices are applied
- That the systems of internal controls are adequate and function effectively.
- That fraud and corruption is being dealt with effectively.

## **2. Objectives and Purpose**

### **2.1 Objectives**

The primary objective of the Committee is to assist the Audit Committee of Council in fulfilling its responsibilities relating to the risk management and compliance practices of the University.

### **2.2 Purpose**

The primary purposes of the Risk Management Committee are:-

- 2.2.1 To establish and maintain a common understanding of University of Limpopo’s risk exposures, which needs to be addressed in order to meet corporate objectives.
- 2.2.2 To coordinate the University’s risk management and risk related assurance processes.
- 2.2.3 To report to the Audit Committee on the risk management work undertaken and the extent of any action taken by management to address areas identified for improvement.
- 2.2.4 The main areas of risks are as follows:

- Strategic risks
- Disaster recovery risk
- Operational risk
- Financial risks
- Reputational risk
- Legal risk
- Compliance and control risks
- Environmental, health and safety risks
- Technology risks

### **3 Responsibilities and Duties**

The responsibilities and duties of the Risk Management Committee shall include:-

- 3.1 Provide feedback on the most important risk areas identified by the University during its annual risk review.
- 3.2 A periodic facilitation of risk assessment, to determine the material risks and compliance issues to which the University may be exposed and to evaluate the strategy for managing those risks and compliance issues. Risk Assessments workshop should be held prior to November each year so that it can coincide with the annual strategic planning before beginning of the new year.
- 3.3 The Committee shall ensure management has implemented a process and an annual risk management plan to identify, manage and report on the risks that might prevent the University from achieving its strategic objectives.
- 3.4 Establishing and maintaining an understanding of the risks that needs to be managed.
- 3.5 Establishing and implementing a risk management strategy.
- 3.6 Reporting to the Audit Committee on the work undertaken and the extent of any action taken by management to address areas identified for improvement. This reporting includes the Risk Management Committee's work in establishing and maintaining the risk management processes which needs to be managed. Make recommendations to the Audit Committee on appropriate risk and risk management reporting requirements.
- 3.7 The Committee will review any legal matters that could have a significant impact on the University's business.
- 3.8 The committee will be responsible for:
  - review and recommend amendments to the risk management policy
  - specific policies regarding management of the main risk areas;

- ensuring appropriate review of identified risks, together with the assessments of probability and impact;
  - ensuring appropriate review of Risk Action Plans for identified risks;
  - ensuring that weaknesses in internal controls that have been identified have been followed up on a timely basis;
  - detailed procedures to be followed in order to manage and mitigate each risk area; and
  - detailed reporting formats
- 3.9 The Committee will have due regard for the principles of governance and codes of best practice.
- 3.10 Assist in the development and application of risk management procedures across the University.
- 3.11 Provide risk management reports to Internal Audit to inform internal audit program as approved by the Audit Committee.
- 3.12 Make recommendations to the Audit Committee on appropriate risk and risk management reporting requirements;
- 3.13 Provide advice to the Audit Committee and the Vice-Chancellor and Principal on relevant corporate level performance indicators and targets for risk management and compliance activities;
- 3.14 Undertake an annual review of risk management policy and underlying strategies and procedures to ensure its continued application and relevance;
- 3.15 Establish a periodic and independent review of the implementation and effectiveness of the risk management policy to provide objective feedback to the Audit Committee as to its effectiveness;
- 3.16 Receive and consider reports on risk management and compliance programs and performance against policy and strategic targets;
- 3.17 Review the adequacy of the University's insurance coverage;
- 3.18 Implement campus wide risk management training
- 3.19 Raise the profile of risk management within the University and ensure a culture of risk management is developed.
- 3.20 Link the policy and delegations of authority framework with the risk management framework.
- 3.21 Examine any risk management matters referred to it by the Audit Committee.
- 3.22 Review of audit reports

#### **4 Authority**

The Audit Committee supports and endorses the establishment of the Risk Management Committee.

The Audit Committee has a responsibility to monitor and review the risk management strategy of the University and the Risk Management Committee assists the Audit Committee in fulfilling this responsibility.

The Risk Management Committee is authorized by the Audit Committee to:

- Investigate any activities within its terms of reference
- Seek outside legal or other professional advice
- Secure the attendance of outsiders with the relevant experience and expertise where necessary at the University's expense
- Seek any information it requires from any employee, and all employees are directed to co-operate with any requests made by the Risk Committee.

#### **5 Composition**

##### **5.1 Membership**

The Committee membership and the Chairman of the Committee will be as determined from time to time by the Audit Committee in consultation with the Vice-Chancellor & Principal. The Committee shall consist of the following senior management of the University:

- (i) Vice-Chancellor & Principal
- (ii) Deputy Vice-Chancellor (Academic and Research)
- (iii) Deputy Vice-Chancellor/s
- (iv) Chief Financial Officer
- (v) University Registrar
- (vi) Chief Human Resource Officer
- (vii) Director: Quality Assurance
- (viii) Director: School of Accountancy
- (ix) Director: Internal Audit and Risk Management

Sub-committees shall be established in all Risk Centres under the chairmanship of the manager. These sub-committees will report to the Risk Management Committee.

All members of the Risk Management Committee shall have a working familiarity with risk assessments and risk management. The members of the committee shall be knowledgeable about the affairs of the University and where appropriate specific skills shall be represented on the committee.

RMC members should have a working knowledge of the organisation's activities and environment and commit the time necessary to fulfill their responsibilities.

Committee members may enhance their familiarity with risk management by participating in educational programs conducted by the University or an outside consultant.

The Audit Committee shall be advised of any changes to the composition of the Risk Management Committee.

#### *Operational Risk Management Committees*

Operational Committee or, if the case may be, operational risk coordinators will:

- submit monthly reports to the Committee as specified by the Committee from time to time; and
- attend Committee meetings upon invitation.

## **5.2 Access to University Employees**

Other University employees may also be requested to attend the meetings of the Committee from time to time by the Committee.

## **6 Meetings**

### **6.1 Agenda and Notice**

The University Secretary is responsible, in conjunction with the Committee Chairman, for drawing up the agenda which must be circulated, at least seven days prior to each meeting, to members of the Committee. The University Secretary will also be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members within fourteen days after such meeting or as soon as is practicable. The notice of each meeting of

the Committee shall confirm the venue, date, time and the agenda of items to be discussed.

Meetings and proceedings of the Committee will be governed by the University's statutes governing Council and Council Committees meetings unless varied by these terms of reference.

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 and included in the General Calendar.

## **6.2 Frequency**

The Committee must hold at least four meetings each year and such additional meetings as the Committee Chairman decides in order to fulfill its duties. The Committee Chairman must call a meeting of the Committee if requested to do so by any Committee member.

Operational Risk Management Committees, operating in the divisions, will meet once a month.

## **6.3 Quorum**

A quorum will consist of not less than 50% of Committee members, one of whom shall be the Committee Chairman, or a nominee of the Committee Chairman.

Each member of the Committee is entitled to one vote. The Committee Chairman does not have a casting vote. A decision of the Committee will be made by majority vote. Any matter not resolved by the Committee must be referred to the Audit Committee for decision.

Meeting may be called or held using any technology determined by the Committee Chairman.

**7. Reporting**

**7.1 Reporting to the Audit Committee**

The Committee Chairman must report the findings and recommendations of the Committee to the Audit Committee after each Committee meeting. The minutes of all Committee meetings must be circulated to the members of the Audit Committee.

**7.2 Annual Report**

The Committee must provide the Audit Committee with advice and recommendations regarding the appropriate material and disclosures to be included in the section of the University's annual report which relates to the University's risk management and compliance policies.

**7.3 Public availability of terms of reference**

The Committee must ensure that a copy of this Charter is made publicly available on the University's website in a clearly marked corporate governance section.

**8. Review of the Charter**

This Charter shall be reviewed annually and revised by the Committee as required.

**Charter Administration**

**Contact person**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Versions of this Charter: Version 2      Date:** \_\_\_\_\_