

**MATJHABENG MUNICIPALITY**

# **MINUTES**

**OF THE**

**RISK MANAGEMENT COMMITTEE MEETING**

**CONVENED FOR**

**20 DECEMBER 2018(THURSDAY)**

**AT**

**12PM**

**ROOM 427, 4<sup>TH</sup> FLOOR MAINBUILDING,  
WELKOM**

**MINUTES OF THE RISK MANAGEMENT COMMITTEE MEETING HELD ON  
WEDNESDAY 12 DECEMBER 2018 AT 12PM AT ROOM 427 FOURTH  
FLOORMAIN BUILDING IN WELKOM**

**PRESENT**

1. Mr M Mutsi : Chairperson
2. Mr T Makofane : Executive Director Strategic Support Services
3. Mrs Z Tindleni : Executive Director Community Services
4. Mr B Golele : Acting Executive Director HS-S&LED
5. Ms P Sefuthi : Acting Snr Accountant Risk Management
6. Ms M Musapelo : Scribe

**1. OPENING AND WELCOME**

The chairperson Mr M Mutsi welcomed everyone present and he further stated that the purpose of the meeting was to turn things around and strengthen our systems within the Municipality.

**2. APOLOGIES**

He acknowledged the presence of attendees, he sensitised the risk administration to ensure that everybody responds to the invitation of the meetings.

Executive Director Corporate Services made an apology that he might be late, The Chief Financial Officer came later, and he explained to the committee to pardon him as his office was busy processing the salaries for the 21 December 2018.

**3. MINUTES OF THE PREVIOUS MEETING**

Minutes were adopted as the true reflection with corrections and omissions.

**4. MATTERS ARISING FROM THE MINUTES**

Mr Mutsi highlighted on the workshop planned if it was held on the 18 December 2018, he asked if the workshop was held or not.

Mme Puleng Sefuthi responded that indeed the workshop was postponed for the 19 December 2018.

She indicated that the finance department did not attend although other departments attended.

## **5.1 ADDITIONAL REPRESENTATION**

### **IT WAS RESOLVED ON THE 20 DECEMBER 2018**

1. That secondees and the risk champions must be appointed as soon as possible.
2. That all Executive Directors must provide the Risk Officer; Mme Puleng Sefuthi with names and she will forward names to the Accounting Officer.
3. That the Accounting Officer must appoint the nominees in that regard.

### **NOTING THAT**

The Champions must be the line Managers as they are close people who will brief Executive Directors about the outcomes and will fast track the resolutions taken in every single meeting.

Secondees must be the most senior people close to the Executive Directors who will attend the meetings if the Directors cannot attend.

The process must be finalised before the Audit Committee meeting of the 14<sup>th</sup> January 2019.

Mr Golele proposed that the appointments be processed by the 11<sup>th</sup> January 2019 if possible.

### **5.2 AREAS OF CONCERN**

The Chairperson of Risk Committee Mr M Mutsi, raised concern on the finance section as they are the ones facing the irregular and wasteful expenditures incurred.

He indicated further that if the finance cannot afford to be not part of the risk meetings that will become a big problem, and he will sensitise the Accounting Officer about the implication if the finance department is unable to attend the risk management meetings.

Mr Makofane moved for the adoption of the minutes and Mme Z. Tindleni seconded the adoption of the minutes.

It was recommended that minutes must be signed noting for the quality purpose.

## **6 : MATTERS FOR DISCUSSIONS**

### **6.1 RISK MANAGEMENT COMMITTEE CHARTER**

### **6.2 RISK MANAGEMENT IMPLEMENTATION PLAN**

### **6.3 ANTI- FRAUD AND ANTI- CORRUPTION POLICY**

### **6.4 ANTI -FRAUD AND CORRUPTION STRATEGY**

## **6.5 FRAUD PREVENTION PLAN**

## **6.6. RISK MANAGEMENT POLICY**

## **6.7 RISK MANAGEMENT STRATEGY**

## **6.8 WHISTLE BLOWING POLICY**

## **6.9 RISK REGISTER AND RISK ASSESSMENT REPORT**

### **THE RISK MANAGEMENT POLICIES WAS THEN DISCUSSED BELOW.**

The committee have noted that the documents were circulated accordingly unless the outstanding issues that the colleagues want to raise reflecting to the documents.

The Director of Community Services Mme Tindleni and Director Strategic and Mme Puleng Sefuthi highlighted the amendments made from the previous work shop.

On this document there was timeframe reviewed for the Risk Management Policy.

The time frame on the Risk Management was (three) 3 years but due to the important issues raised the time frame happened to be changed from 3 years to be annually.

Because the IDP and Budget reviews done annually and the Committees get appointed annually so it was important to review all the Risk Policies annually.

In response Mr Mutsi has referred to the MFMA regulation that Municipality should familiarise with in terms of the internal audit on dealing with issues of fraud hotline.

Lost control committee must also be established.

### **INPUTS MADE ON ALL STRATEGIC DOCUMENTS**

Page numbering was also important issue raised from the documents.

Risk Management Strategic documents must be packaged in one bundle for quality purpose.

On the same note the chairperson wanted to know if the internal audit is useful in Matjhabeng Municipality or not, if they were capacitated enough or not?

He cautioned the committee about the disciplinary board established in terms of financial misconducts as he got the prove from the Executive Mayor that the committee was appointed.

The Internal audit section was supposed to advice in terms of the internal and control measures and also to advice the Accounting Officer with risk control.

Mr Golele proposed that the hot line be included into the policies as it is important to have it for the matter of changing the culture of the municipality.

The hotline committee must be appointed in 3 months' time before end of financial year.

## **RISK REPORT**

The report of the workshop must serve as the purpose for the risk management.

The report must specify that the meetings were held on the following dates below.

The 1<sup>st</sup> meeting 12 December 2018.

Workshop was held on the 19 December 2018.

The meeting of the risk management committee was held on the 20 December 2018.

That the risk report must be tabled to the 1<sup>st</sup> Council of the 2019 January.

The Municipal Manager must have a report the 1<sup>st</sup> week of January 2019.

## **CLOSING REMARKS.**

In conclusion the Chairperson raised the issue of attendance be maximised to include standing invitees e.g. Internal Audit, Assets, Expenditure, SCM, PMU, Water Loss, Contracts, Litigation as they are the high-risk areas.

He thanked all the Executive Directors who made it and those who did not attend must ensure they send their secondees and their respective risk Champions, he encouraged the Municipality to be proactive and to capacitate Risk Management and Internal Audit to prevent disclaimer in the Municipality.

He made a plea on the issue of the structure to be sorted as soon as possible and he is going to make sure that it will be the standing item in each meeting. He also emphasised that the amendments made on strategic documents during the risk workshop must be corrected as agreed.

Mr M Mutsi promised to speak to Mrs. Masheane the Senior Manager in the Auditor General who deals with Matjhabeng Municipality affairs to assist the committee regarding the issue of Public Audit Act.

## **CLOSURE:**

The meeting adjourned at 14:20pm.

Signatures:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date