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TERMS OF REFERENCE FOR THE APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE CHAIRPERSON OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE FOR FREEDOM PARK (FIXED TERM CONTRACT IN LINE WITH THE CURRENT MEMBERS OF COUNCIL 3-YEAR TERM OF OFFICE)

1. INTRODUCTION

Freedom Park is a Schedule 3A Public Entity in terms of the Public Finance Management Act, Act 1 of 1999, as amended. It is a cultural institution in terms of the Cultural Institutions Act, Act 119 of 1998, and is one of the Entities of the Department of Sport, Arts and Culture.

The institution seeks to appoint a suitably qualified and experienced individual to serve as the independent Chairperson of its Audit, Risk and Compliance Committee (“the Committee”) in accordance with the Public Finance Management Act (PFMA) and applicable Treasury Regulations. The appointment aims to enhance governance, risk management, and financial accountability within the institution.

The role is crucial in ensuring that the institution maintains strong internal controls, follows sound financial practices, and mitigates risks effectively. The Chairperson will provide leadership in governance and serve as an advisor to the institution’s management and oversight bodies.

2. LEGISLATIVE FRAMEWORK

The following legislation and guidelines will direct the appointment:

- Public Finance Management Act (PFMA), Act No. 1 of 1999: Governs financial management in national and provincial government institutions to ensure transparency, accountability, and sound financial practices.
- Treasury Regulations: Provide detailed requirements for financial management, risk management, and reporting within government entities.
- King IV Report on Corporate Governance: Offers principles of good governance, ethics, and accountability applicable to public sector organizations.
- Generally Recognized Accounting Practice (GRAP): Standards for financial reporting in the public sector.
- Auditor-General Act, Act No. 12 of 1995: Regulates audit functions and responsibilities within public sector institutions.
- Public Service Regulations: Set standards for ethical conduct and performance within government structures.

3. ROLE AND RESPONSIBILITIES

The Audit and Risk Committee will consider matters relating to Management and the Council/Board in the discharge of its duties to safeguard assets, operate adequate systems and controls, and prepare annual financial statements, and on matters relating to performance management and performance evaluation.

The Chairperson of the Committee will be responsible for:

- Providing independent oversight of financial reporting, risk management, internal controls, and governance within the Institution.
- Chairing Committee meetings and ensuring effective discussions and decision-making in line with governance best practices.
- Advising the Council/Accounting Authority, the Accounting Officer and senior management on risk management, compliance, and internal control issues.
- Reviewing financial statements and performance reports to ensure compliance with legislative and regulatory frameworks before submission to relevant authorities.
- Overseeing internal and external audit processes, ensuring that audit recommendations are effectively implemented and followed up.
- Assessing the effectiveness of the Institution's risk management strategies, including identifying potential risks and recommending mitigation measures.
- Evaluating fraud prevention mechanisms and ensuring adequate internal controls to prevent unethical activities.
- Ensuring the Committee's independence by avoiding undue influence from management and stakeholders.
- Reporting to Council/Accounting Authority the Accounting Officer and oversight bodies, including Parliament, the Auditor-General, and National Treasury, on governance and risk management effectiveness.
- Monitoring compliance with applicable financial and risk management policies to ensure that the Institution operates efficiently and transparently.
- Providing mentorship and guidance to Committee members on best practices in risk management, governance, and auditing.
- Provide regular feedback to the Council and the Chief Executive Officer on the adequacy and effectiveness of risk management in the Entity, including recommendations for improvement; and
- Performance Evaluation and reviewing the effectiveness of the Internal Audit function

4. QUALIFICATIONS AND EXPERIENCE

The appointed Chairperson must meet the following criteria:

- **Academic and Professional Qualifications:**
 - A postgraduate degree (NQF 9) in Accounting, Auditing, Risk Management, Finance, Law, Business Administration, or a related field.
 - Additional qualifications such as CA (SA), CIA, CISA, CFE, CRMA, or equivalent will be highly preferred.
 - Should belong to any of the following professional bodies with active membership: The South African Institute of Chartered Accountants (SAICA);

the Institute of Internal Auditors (IIA); the Institute of Risk Management South Africa (IRMSA); the Institute of Directors South Africa (IoDSA); or the Risk Management Society (RIMS)

- **Professional Experience:**

- A minimum of 20 years of experience in auditing, risk management, governance, or financial management.
- At least 10 years of experience in a leadership role, preferably as a board member, committee chairperson, or senior executive.
- Extensive knowledge of the PFMA, King IV Report on Corporate Governance Treasury Regulations, GRAP, and risk management frameworks applicable to the public sector.
- Prior experience working with government institutions, state-owned enterprises, or regulatory bodies.
- Strong familiarity with public sector procurement and supply chain management processes.

- **Competencies and Skills:**

- Strong leadership and strategic thinking abilities.
- Excellent analytical, problem-solving, and decision-making skills.
- High ethical standards and commitment to integrity, accountability, and transparency.
- Effective communication, negotiation, and stakeholder engagement skills.
- Ability to interpret complex financial and audit reports and provide strategic recommendations.

5. TENURE AND REMUNERATION

- The Chairperson will be appointed for a period aligned to the tenure of the current Council, which ends on 31 October 2027.
- The remuneration for the Chairperson will be determined in accordance with National Treasury directives and applicable public sector guidelines.
- Travel and accommodation expenses, if required, will be reimbursed per government policies.

6. MEETINGS AND TIME COMMITMENT

- The Committee shall convene at least four (4) times per year, with additional meetings as required.
- The Chairperson is expected to allocate sufficient time for meeting preparations, reviewing financial and audit reports, and engaging with stakeholders.
- The Chairperson may be required to attend special meetings or provide urgent advice to the Institution when necessary.

7. INDEPENDENCE AND CONFLICT OF INTEREST

- The Chairperson must be independent and not hold any employment, contractual, or financial interests that may compromise their role.
- Any potential or perceived conflict of interest must be declared upon appointment and as they arise during the term.

- The Chairperson must not be involved in day-to-day management or operational decision-making within the Institution.

8. APPLICATION PROCESS

Interested candidates must submit the following:

- A detailed CV outlining academic and professional qualifications, as well as relevant experience.
- Certified copies of academic and professional qualifications.
- At least three (3) contactable references from previous roles.
- A signed declaration of independence and no conflict of interest.

9. EVALUATION AND APPOINTMENT

- A selection panel will evaluate applications based on qualifications, experience, and suitability for the role.
- Interviews may be held for shortlisted candidates
- The final appointment will be made by the Council following a transparent and merit-based process.

10. TERMINATION OF APPOINTMENT

The appointment of the Chairperson may be terminated under the following circumstances:

- Failure to fulfill duties as outlined in this ToR.
- Conflict of interest that compromises independence.
- Gross misconduct or breach of ethical conduct.
- Persistent failure to attend meetings or perform required duties.
- Any other valid reason in accordance with public sector policies and regulations.

11. GENERAL PROVISIONS

- The Chairperson will be required to sign a contract of appointment and a confidentiality agreement.
- The Chairperson will also be required to sign a Declaration of Financial Interests
- The Chairperson must comply with all relevant government policies, codes of conduct, and governance requirements.

CLOSING DATE AND SUBMISSION

Applications must be submitted by 28 April 2025 to companysecretary@freedompark.co.za. Late applications will not be considered. Shortlisted candidates will be subject to background checks, including qualifications verification and reference checks.