1. PURPOSE AND SCOPE

1.1 This Policy applies to the University of Pretoria’s management and staff as well as all its outsourced partners.

1.2 The Council of the University is accountable and responsible for overseeing the management of compliance with the regulatory requirements applicable to the University and all entities operating under its auspices (the “University”).

1.3 Council is accountable and responsible for ensuring that proper risk management practices are implemented, which includes compliance risk
management, as well as for forming its own opinion on the effectiveness of the process. Responsibility at this level therefore includes, but is not limited to, the formal approval of this Policy and its periodic review.

1.4 This document is aimed at ensuring that proper Compliance Risk Management controls are implemented within the University of Pretoria and all entities operating under its auspices.

Notwithstanding the ultimate responsibility of Council, effective governance should filter through to all levels of the organisation.

2. **THE UNIVERSITY OF PRETORIA’S COMPLIANCE RISK AND COMPLIANCE STATEMENT**

Compliance risk is the risk of damage (which includes fines, penalties, and civil claims) to the University’s business model or objectives, reputation and financial soundness arising from non-compliance with legal, regulatory and ethical, internal policy and the Department of Higher Education and Training (DHET) policy obligations.

The University is committed to observing all compliance obligations which includes compliance with all legal, regulatory, ethical and internal policy obligations as well as DHET policies applicable to the University. The aim is to be compliant with all legislative requirements through the application of sound business practices and avoiding reckless or negligent behaviour.

3. **COMPLIANCE PHILOSOPHY**

3.1 The University upholds the core values of integrity, fair dealing, accountability and transparency in all its interactions, whether with students, alumni, business partners, the government, employees or stakeholders. As such, the University of Pretoria regards compliance with legal, regulatory, ethical and internal policy obligations and DHET policies applicable to the University as a business imperative and accordingly views non-compliance in a serious light.

3.2 The University Council is ultimately accountable for ensuring that the University complies with relevant legal, regulatory, ethical and internal policy obligations applicable to the University and that compliance risks are appropriately managed. It has delegated the oversight thereof to the Audit, IT and Risk Management Committee.

3.3 The above is evidenced by Council having designated the Registrar of the University (or any other Executive member of the University if required), to establish a Compliance Function that identifies, assesses, advises on, monitors and reports on the regulatory compliance risks in the University.
4. **RESPONSIBILITY OF MANAGEMENT**

Management is responsible for ensuring that the Compliance Policy is implemented, supported and adhered to. Apart from the need to ensure that the Policy is being observed on an on-going basis, Management also needs to keep Council updated on its status and apply disciplinary measures if and when necessary.

5. **ESTABLISHMENT OF A COMPLIANCE FUNCTION**

In terms of Council's commitment to its Compliance Philosophy, it has established a permanent Compliance Function, which has been structured in such a way as to facilitate a culture of compliance throughout the organisation.

6. **HEAD OF THE COMPLIANCE CONTROL FUNCTION**

Council has delegated the management of compliance risks to the Registrar as the Executive member responsible for the Compliance Control Function. The Registrar is supported by relevant compliance staff as determined from time to time.

7. **INDEPENDENCE**

7.1 The Compliance Function is required to be able to function independently and objectively. The Compliance Function operates independently from business operations in order to ensure that it discharges its responsibility in an objective manner.

7.2 In addition, the Compliance Function must function in a manner ensuring that no actual or potential conflicts of interest arise.

7.3 All conflicts of interest which may compromise the proper function of the Compliance Function must be escalated to the Vice-Chancellor and Principal. If the conflict of interest is not addressed appropriately, the Vice-Chancellor and Principal or the Compliance Officer will be entitled to escalate the matter to the Chairperson of Audit, IT and Risk Management Committee for resolution.

8. **REPORTING AND DISPUTE RESOLUTION**

8.1 The Compliance Officer reports regularly to the Management of the University and on a bi-annual basis to the Audit, IT and Risk Management Committee.

8.2 When deciding to report any incidence of non-compliance or irregularity to the DHET and/or any regulator, the Compliance Officer and Management must take into account the following factors:
8.2.1 Whether the non-compliance or irregularity is material or not.

8.2.2 The impact the non-compliance or irregularity has or may have on the University’s ability to render services in terms of the Higher Education Act, 1997 and the provisions of the Statute of the University.

8.2.3 The impact of the potential or actual financial loss on the University.

8.2.4 The number and frequency of similar incidences.

8.2.5 The impact on the fair treatment of students, staff and or stakeholders due to non-compliance or irregularity.

8.2.6 The impact on the integrity of the University arising out of non-compliance and/or irregularity.

8.3 In the event that a dispute arises between the Compliance Officer and the Vice-Chancellor and Principal regarding an instance of non-compliance, the dispute shall be referred to the Chairperson of the Audit, IT and Risk Management Committee of Council for a final decision and resolution.

9. **AUTHORITY OF THE COMPLIANCE FUNCTION**

9.1 The Compliance Function must be given the appropriate status and authority within the University. Council and Management must therefore formally endorse the Compliance Policy and Function. To enable the Compliance Function to discharge its internal and statutory responsibilities, it is necessary that it is assigned with the following rights and powers:

9.1.1 Unrestricted access to all functions, records and staff;
9.1.2 Access to all relevant committees;
9.1.3 To obtain the necessary assistance from staff;
9.1.4 To direct and require staff to apply the compliance policy and standards;
9.1.5 Report to and correspond with regulators;
9.1.6 Access to external and internal auditor’s reports;
9.1.7 Audit reports involving compliance matters; and
9.1.8 To be consulted about any proposed business or product developments, which may have compliance implications.
10.COMPLIANCE STRUCTURE AND ROLE

10.1 The Compliance Function forms part of the University’s overall Risk Management Framework.

10.2 The Compliance Function is responsible for the following:

10.2.1 Identification and assessment of compliance obligations and risks.
10.2.2 Development and implementation of policies, procedures and controls to meet ethical, legal, regulatory, internal policy and industry code requirements.
10.2.3 Monitoring the effectiveness of the compliance systems and processes based on a formal monitoring plan and adopting a risk-based approach to monitoring compliance. The monitoring plan must be approved by Council.
10.2.4 Reporting to the University’s Management and Council regarding the compliance status and incidence of non-compliance on a bi-annual basis.
10.2.5 Communicating, advising, providing guidance and training in respect of compliance-related matters.
10.2.6 Providing advice and guidance on compliance-related matters.
10.2.7 Identifying the regulatory universe.
10.2.8 Measuring and assessing compliance risk.
10.2.9 Compiling and maintaining a compliance manual.
10.2.10 Establishing and maintaining a compliance culture.
10.2.11 Monitoring the level of compliance and the effectiveness of the compliance processes and controls with high-risk areas being subjected to more intensive monitoring than low-risk areas on an ongoing basis.
10.2.12 Monitoring complaints.
10.2.13 Establishing, implementing and maintaining a risk-based compliance plan.
10.2.14 Facilitating the confidential reporting by employees of concerns, shortcomings or potential non-compliance in respect of the University’s policies, legal or regulatory obligations, or ethical considerations.
10.2.15 Ensuring that the Policy is communicated to all staff.

10.3 Compliance staff must have the necessary qualifications, experience and personal qualities to carry out their compliance duties efficiently and effectively.
11. SPECIFIC REPORTING REQUIREMENTS

11.1 Outsourcing of the Compliance Function and/or services

11.1.1 The University must define which compliance services are to be outsourced and must adhere to the detailed requirements outlined in the relevant Service Level Agreements (SLAs).

11.1.2 All outsourcing is subject to the Governance Policy on Outsourcing.

11.2 Bi-annual reporting of compliance risk to the Audit, IT and Risk Committee of Council

The Compliance officer must submit a report to the Audit, IT and Risk Management Committee of Council on a bi-annual basis, which report shall include the following:

11.2.1 The strategy of the compliance function.
11.2.2 The compliance plan, including specific annual or other short-term goals being pursued and the performance against such goals.
11.2.3 The number of incidences of non-compliance with regulatory requirements for the particular half-yearly report.
11.2.4 A brief description of the nature of the non-compliance, the cause of the non-compliance, including the remedial action taken or to be taken to address the non-compliance and the due date by when such non-compliance shall be rectified.
11.2.5 The number and type of sanctions or pending sanctions to be imposed by any regulator due to non-compliance.
11.2.6 Whether any non-compliance has been reported to the University’s external and/or internal auditors.
11.2.7 Whether any non-compliance has been reported to the DHET and/or any regulatory authority by an external third party and, if so, to which regulatory authority.
11.2.8 Confirmation that the Senior Management of the University is aware of the items listed under clauses 11.2.3 to 11.2.7 and has signed-off on them.
11.2.9 Whether any non-compliance is required to be reported to the DHET or any other regulator.
11.2.10 Information on its resources, including an analysis on the appropriateness of those resources.
11.2.11 An assessment of the key compliance risks the University faces and the steps taken to address them.
11.2.12 An assessment of how the University is performing against compliance standards and goals.
11.2.13 Any compliance issues involving Management or persons in positions of major responsibility within the University, and the status of any associated investigations or other actions being taken.

11.2.14 Material instances of non-compliance or concerns involving any other person or part of the University and the status of any associated investigations or other actions being taken.

11.2.15 Material fines or other disciplinary actions taken by any regulatory authority in respect of the University or any of its employees.

11.3 **Reporting of non-compliance to regulators (if required)**

When deciding to report any incidence of non-compliance or irregularity to any regulator, the Compliance Officer must take into account the following factors:

11.3.1 Whether the non-compliance or irregularity is material or not.

11.3.2 The impact the non-compliance or irregularity has or may have on the University’s ability to render the services in terms of the Higher Education Act, 1997.

11.3.3 The impact of the potential or actual financial loss on the University’s stakeholders.

11.3.4 The number and frequency of similar incidences.

11.3.5 The impact on the fair treatment of stakeholders due the non-compliance or irregularity.

11.3.6 The impact on the integrity of the University or specific entity arising out of non-compliance and/or irregularity.

12. **CULTURE OF COMPLIANCE**

12.1 The responsibility for complying with any regulatory requirement or acting ethically lies with all members of staff conducting the particular transaction or activity to which regulation applies. Staff must be conversant with compliance guidelines and/or technical guidance notes applicable to their specific area of responsibility.

12.2 The Compliance Function must identify potential problems and advise on practical solutions.

13. **INDEPENDENT REVIEW**

The Compliance Function must undergo independent review regularly in order to ensure that it is operating effectively and as intended.
14. **REVIEW OF THE POLICY**

   The Compliance Function will be responsible for the administration and annual review of the Compliance Policy.

15. **DOCUMENT METADATA**

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