

COMPLIANCE MANAGEMENT POLICY

TT-FOA-23

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Standard Operating Policy – Finance,
Operations & Administration


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Approvals

The signatures below confirm that the reviewers agree with the content of the document and that this document is approved for implementation within Tshiamiso Trust.

Name	Position	Signature	Date
Prof. May Hermanus	Chairperson: Board of Trustees		
Kgomotso Molebatsi	Chairperson: HR, Remuneration and Governance Committee		
Daniel Kotton	Chief Executive Officer	<i>Daniel Kotton</i>	02/11/2021

This document is effective from the date of the last approval signature.



Document Location

The original signed document is held by: The Trust
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1. POLICY SCOPE

1.1 Purpose of the Policy

- 1.1.1 The purpose of this document is to outline the Compliance Policy (“**Policy**”) for the Tshiamiso Trust (“the **Trust**”).
- 1.1.2 The purpose of this Policy is to ensure pursuit of the Trust’s objectives by embedding risk and compliance management into all the processes of the Trust. The Policy sets out the Trust’s approach to managing the risk of non-compliance with the provisions of its founding documents (Trust Deed and Settlement Agreement), regulatory sanctions, financial loss or damage to reputation that the Trust may suffer as a result of not complying with legislation, regulation, directives, supervisory requirements or internal policies.

1.2 Objectives of the Policy

- 1.2.1 To pursue an organisational focus on compliance and risk in order to support the Trust in integrating compliance and risk in an optimal way into organisational decision-making and business processes.
- 1.2.2 To create an understanding and to comply with the relevant legal, regulatory and other obligations applicable to the Trust.
- 1.2.3 To create an understanding of those risks that threaten the ongoing business of the Trust, and to put into place relevant strategies and structures to minimise business disruption.
- 1.2.4 To ensure that the relevant assurance providers enable an effective and efficient internal-control environment.

1.3 Availability of the Policy

The Policy is available to all Employees and can be accessed on the Trust’s intranet.



2. POLICY GOVERNANCE

2.1 Roles and Responsibilities

2.1.1 Board of Trustees

The Board of trustees (the “**Board**”) takes overall responsibility for the monitoring of the effectiveness and efficiency of compliance and risk management. The Board is ultimately responsible for ensuring that all financial, reputational, and other risks are appropriately managed (“**Risk Management**”) and for ensuring that the requisite systems, practices, and culture are in place for Risk Management. The Board is also ultimately responsible for ensuring that the Trust complies with all applicable laws and regulations (“**Compliance**”). The Board may delegate Risk Management and Compliance to individuals, committees, consultants, and Service providers, but the ultimate responsibility still vests with the Board.

2.1.2 Finance, Risk and Audit Committee (FRA)

The Finance, Risk and Audit Committee (the “FRA Committee”) oversees and direct the Trust’s compliance and risk-taking activities and management on behalf of the Board and in line with the Trust’s Risk Appetite. The FRA is accountable for the quality, integrity, and reliability of the Trust’s Compliance management capability.

2.1.3 Chief Executive Officer (CEO)

The CEO is accountable to the board for the Trust’s Compliance process, and provides assurance to the Board on the effective operation of the Compliance function.

2.1.4 The Legal & Compliance Manager

The Legal & Compliance Manager drives Compliance in the Trust, whilst monitoring the high-level impact analysis and trends. The Legal & Compliance Manager supports the CEO in meeting Compliance related accountabilities.



2.1.5 Management

Management is accountable for the implementation of the Policy and ensuring that Compliance requirements are reflected in Trust processes to optimally manage and identify Compliance risks and breaches.

2.1.6 Employees

Employees are expected to Undertake activities in compliance with legislation and the Trust's policies and procedures.

2.1.7 Internal Audit

Internal Audit is responsible for assessing the Trust's internal business management and control processes and the extent to which Remedial Action has been implemented, and for reporting thereon to the FRA Committee.

Internal Audit will conduct, as a minimum, annual reviews of the Trust's controls and will provide reports to the Trust.

2.2 Combined Assurance

- In accordance with best practise, the Trust subscribes to a combined assurance model overseen by Management.
- Management oversees implementation of the combined assurance model implemented to effectively cover the organisation's significant risks through a combination of the following assurance service providers and functions as appropriate for the Trust:
 - Line functions that own and manage risks
 - Specialist functions that facilitate and oversee risk management and compliance
 - Internal Audit
 - Independent external assurance providers such as external audit
 - Other external assurance providers as appropriate
 - Regulatory Inspectors



2.3 **Policy Review**

The Policy will be reviewed on an annual basis, taking into account any changes in Compliance and the Trust's operational requirements.

2.4 **Ownership of Policy**

Ownership of the Policy will be vested in the CEO.

2.5 **Approval of Policy**

The Policy and any amendments from time to time must be approved by the FRA Committee for recommendation and approval by the Board.

3. POLICY STATEMENT

- 3.1 The Trust is committed, in terms of its Code of Conduct, to the highest legal, ethical, and moral standards. All Employees and Service Providers are expected to share this commitment.
- 3.2 Compliance Management enhances the Trust's ability to effectively manage uncertainty. It is a comprehensive, systematic approach for helping the Trust to identify, measure, prioritise and respond to the risks challenging the Trust's most critical objectives, related projects, initiatives, and day-to-day operating practices.
- 3.3 The Trust is fully dedicated to effective Compliance Management and the adoption of best practice to identify, evaluate, and mitigate the Compliance risks that the Trust face. The Trust apply Risk Management as the enabling process to unlock the innovative and responsible management for Compliance risks. It is therefore the policy of the Trust to:
 - 3.3.1 Create a framework for the strategic commitment of the Trust and its Management for establishing of risk and compliance management culture at the Trust as part of its operational management.
 - 3.3.2 Enable an environment for the optimal identification and management of compliance at process and systems levels.
 - 3.3.3 Guide the roles and responsibilities of assurance providers within an effective control environment.

4. COMPLIANCE PROCEDURES & GUIDELINES

- 4.1 The Trust is committed to prudent management in accordance with legislative, regulatory, directive, and supervisory requirements.
- 4.2 In support of the principles of good corporate governance, the Trust also undertakes to conduct its business with integrity and due diligence, complying with applicable laws and regulations, as well as all internal policies and related procedures. This Policy describes the principles, accountabilities, and responsibilities for reviewing, implementing, monitoring, and reporting on Compliance requirements in the Trust.
- 4.3 The implementation of the Policy takes place in accordance with the following procedures and guidelines
 - 4.3.1 A compliance framework consisting of the following components:

- Identification of the regulatory universe and act owners;
- Compliance risk identification and assessment including identifying controls;
- Compliance risk mitigation, including standards, procedures and guidelines;
- Compliance monitoring;
- Awareness and training,
- Reporting, and
- Record-keeping.

4.3.2 Compliance requirements must be identified and interpreted

- Regulatory requirements such as acts, bills, directives and discussion documents which impose obligations on the Trust must be identified and interpreted continually.
- This interpretation must initially include an applicability assessment and a high-level risk and impact assessment of all regulatory requirements. A documented regulatory universe must be maintained and regularly updated with new laws and regulations and changes or amendments to existing laws and regulations.

4.3.3 Compliance requirements must be addressed in Trust processes

- Trust processes must include adequate activities to address Compliance requirements. Risk assessments, control assessments and control plans must be integrated with processes.
- The implementation of new Compliance requirements requires changes to internal policies and the redesign of process in order to implement these changes.

4.3.4 All Employees must be trained on Compliance requirements

- Management and Employees must know and understand Compliance requirements and related processes relevant to their roles, including required actions and prohibited actions as prescribed by regulatory requirements. These requirements will be communicated mostly by specific training, but also by induction programmes, awareness campaigns and other initiatives.
- Compliance training materials and training attendance registers must be maintained.

4.3.5 Compliance must be monitored and reported on

- Compliance monitoring must be conducted to provide assurance to the Board and senior management that business is conducted in Compliance with regulatory requirements and internal policies.
- Any issues, incidents or breaches identified through monitoring activities must be reported and remedial action taken where required. Compliance must be measured and monitored at an individual level and should form part of each individual's performance evaluation. Appropriate corrective action must be taken in cases of non-Compliance.

4.3.6 Compliance breaches and incidents must be reported and managed

- All breaches (or suspected breaches) in Compliance and Compliance incidents must be reported to management and the relevant risk, policy, and oversight function at the earliest opportunity. Appropriate corrective action must be taken to address such incidents.

Appendix A: Glossary of terms

“APPENDIX A”

GLOSSARY OF TERMS

TERMINOLOGY	DESCRIPTION
Assurance	The diligent application of mind to evidence, resulting in a statement or declaration concerning an identified subject matter or subject matter information, and that is made for the purpose of enhancing confidence in that subject matter or subject matter information.
Compliance Framework	The set of compliance management processes and tools used by the Trust for managing its compliance programme;
Compliance Risk	The risk of impairment of the Trust’s integrity, leading to damage of the Trust’s reputation, legal or regulatory sanctions or financial loss as a result of failure to comply with applicable laws, regulations and standards
Consequence	The effect upon the Trust when a risk becomes a reality. An example of a consequence is “the loss of a significant asset”. The risks leading to the particular loss could be fire, theft etc. The Trust has no ability to directly manage a consequence but can manage the cause-based events that lead to the consequence.
Employees	Means any person employed by the Trust on a permanent, temporary, fixed-term or part-time basis.
Internal Controls	The measures and methods instituted by the Trust to conduct its business in an orderly manner, to safeguard its assets and resources, to deter and detect errors, ensure accuracy, produce reliable and timely information and to ensure adherence to its policies and procedures.
Monitoring	The entirety of risk management is monitored and notifications are made, as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.
Personnel	Refers to any person who works for or provides services to or on behalf of the Trust and that receives or is entitled to receive remuneration and any other person who assists in carrying out or conducting the business of the Trust and includes, without limitation, the Trustees, all permanent, temporary and part-time employees, as well as contract workers.
Process	A set of linked tasks that are controlled by a common set of policies and procedures and generate a common set of risks. In the major activity area of Finance, for example, processes may include financial reporting, accounts receivables, accounts payable and cash management.
Regulatory Universe	The existing and emerging legislation with which the governance, management and administration of the Trust must comply.
Risk	The effect of uncertainty on objectives.

Risk appetite	The Trust's tolerance for risk; the amount of risk the Trust is willing to accept in pursuit of its mission, vision and purpose.
Risk management	The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects. The process of planning, organising, directing and controlling resources and activities in order to minimise potentially adverse consequences at the least possible cost in accordance with the Trust risk management framework.
Trust	The Tshiamiso Trust constituted in terms of this Trust Deed;
Trustee	Trustees means the trustees of the Trust for the time being and from time to time.
Trust Deed	means the Tshiamiso Trust Deed and any annexes, schedules or attachments to it.