



POLICY ON RISK AND COMPLIANCE

RECORD MANAGEMENT					
Document Name POL 1.0 – RBHS – Risk and Compliance Policy V201808					
Revision Number	Date Published	Synopsis	Owner	Role	Retention
V201808	August 2018	As adopted by the Governing Body	Sarah Grobler	Member of the Board and Company Secretary	5 years from adoption

This policy will be next reviewed during: **August 2022**



Reference number POL 1.0
Version number V201808
Version date August 2018
Type of document Policy

Risk and Compliance Policy

TABLE OF CONTENTS

1. PURPOSE	3
2. SCOPE.....	3
3. RISK MANAGEMENT DIRECTIVE.....	3
4. RISK APPETITE DIRECTIVE	4
5. COMPLIANCE DIRECTIVE.....	5
6. RISK AND COMPLIANCE CATEGORIES	5
7. RESPONSIBILITIES	6
8. ADOPTION.....	8
9. APPENDIX A: DEFINITIONS.....	9
10. APPENDIX B: RISK MANAGEMENT PROCESS.....	11
11. APPENDIX C: RISK MATRIX	13
12. APPENDIX D: RISK RATING SCALES AND TABLES LIKELIHOOD LEVELS	14



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

1. PURPOSE

This policy confirms the commitment of the Board of Governors (“Board”) to good corporate governance through risk management and compliance. It defines the broad accountabilities and structures Rondebosch Boys’ High School’s (RBHS) will maintain in order to manage risk and compliance.

Risk arises in all aspects of RBHS’ operations and at all stages within the life cycle of those operations. It offers both opportunity and threat, and must therefore be managed appropriately. RBHS is committed to adopting a strategic, consistent and structured enterprise-wide approach to risk management in order to achieve an appropriate balance between realising opportunities for gains and minimising losses.

Risk and Compliance Definitions can be found in Appendix A.

- 1.1. The RBHS Board and Management are committed to the implementation and maintenance of a formal risk management system, including the integration of risk management throughout all levels of RBHS as fundamental to achieving RBHS’ strategic and operational objectives. This policy outlines the framework that reflects that commitment.
- 1.2. RBHS is committed to delivering its strategic and operational objectives in accordance with the principles of good governance, in compliance with a diverse range of National and provincial legislation; statutory and regulatory requirements, and reporting obligations whilst reducing its risk to acceptable levels with the implementation of risk treatments which include internal policies and procedures. This policy therefore also aims to assist RBHS to meet those legal and statutory obligations and determine compliance with RBHS School Policies and risk treatments as documented in the risk registers.

2. SCOPE

This policy applies to the Board and its Committees, staff, and members of any RBHS support groups.

3. RISK MANAGEMENT DIRECTIVE

RBHS is committed to:



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

- 3.1. Achieving its strategic and operational objectives while minimising the impact of significant risks that RBHS can meaningfully and realistically control;
- 3.2. Protecting and enhancing RBHS' reputation;
- 3.3. Behaving as a responsible and ethical corporate citizen, protecting staff, scholars and the broader community from harm and protecting physical property from loss or damage;
- 3.4. Establishing the right balance between the cost of control and the risks it is willing to accept as part of the business and industry environment within which it operates;
- 3.5. Recognising and exploiting opportunities;
- 3.6. Establishing resilience and increased efficiency in relation to risk management; and
- 3.7. Ensuring compliance to a diverse range of National and Provincial legislation; statutory and regulatory requirements and reporting obligations; internal policies; and documented risk treatments.

4. RISK APPETITE DIRECTIVE

- 4.1. The RBHS Risk appetite is the amount of risk, on a broad level, that RBHS is willing to accept in pursuit of value, and should reflect:
 - 4.1.1. The RBHS risk management philosophy per location, project, process and the like;
 - 4.1.2. RBHS' capacity to take on risk;
 - 4.1.3. RBHS' objectives, business plans and respective stakeholder demands;
 - 4.1.4. Evolving industry and market conditions; and
 - 4.1.5. Tolerance for failures with quantitative values, where applicable.
- 4.2. RBHS' risk appetite will be reassessed by the Board on a regular basis.
- 4.3. RBHS' risk appetite will be recorded on individual risk registers as residual risk ratings accepted and reported to the Board quarterly.
- 4.4. The RBHS Board and Management acknowledge that, at times, activities need to be performed which carry significant risk.



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

5. COMPLIANCE DIRECTIVE

RBHS is committed to the maintenance and continuous improvement of a Compliance Programme, and to the development of a compliance culture throughout RBHS.

5.1. The RBHS Compliance Programme should monitor and address the RBHS:

5.1.1. Risk profile and responsibilities as identified in a Risk Management Framework; and

5.1.2. Legal, regulatory and other obligations that govern the operations of RBHS.

5.2. RBHS should allocate appropriate resources to the development, implementation and continuous improvement of its Compliance Programme.

5.3. RBHS should adopt a risk-based approach to the implementation of its Compliance Programme, where:

5.3.1. Statutory obligations representing the greatest degree of risk to RBHS will be given priority;

5.3.2. Compliance responsibilities will be allocated to the risk owners as identified within the risk register;

5.3.3. Behaviours that create and support compliance will be encouraged; and

5.3.4. Behaviours that compromise compliance will be investigated.

5.4. The Compliance programme should consist primarily of control self-assessment checklist create from risk response plans identified within the risk registers. These checklists will be completed at least annually for all key areas within RBHS.

5.5. A programme of external assurance should also be considered for any critical inherent risks as identified by the Business Manager in consultation with the Board, or by the Board itself, should the Board deem it necessary to do so.

5.6. The Business Manager should report quarterly to the Finance Committee on the RBHS Compliance Programme.

6. RISK AND COMPLIANCE CATEGORIES

Risks should be identified and managed in functional areas. The key areas being:



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

- 6.1. Strategy;
- 6.2. Governance and Board functions;
- 6.3. Human Resources;
- 6.4. Admissions;
- 6.5. Stakeholders;
- 6.6. Communications;
- 6.7. Pupils;
- 6.8. Pastoral Care;
- 6.9. Curriculum;
- 6.10. Curriculum Management and Development;
- 6.11. Sport and sport functions;
- 6.12. Other Extra-curricular activities;
- 6.13. Finance;
- 6.14. Information Technology;
- 6.15. Facilities; and
- 6.16. Transformation.

The risk process and corresponding risk methodology are detailed in Appendix B and C.

7. RESPONSIBILITIES

7.1. Board of Governors:

- 7.1.1. Retains accountability for risk management and for determining the appropriate level of risk that RBHS is willing to accept; and
- 7.1.2. Oversees RBHS' continued compliance with external legislation, statutory and regulatory requirements, reporting obligations, and adopted policies.



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

7.2. Finance Committee advises the Board on risk management and compliance for issues relating to Finance.

7.3. Estates Committee advises the Board on risk management and compliance for issues relating to Facilities and Workplace Health and Safety.

7.4. Headmaster:

7.4.1. Ensures that risk management activities are carried out effectively across RBHS;

7.4.2. Approves policies and associated procedures, where necessary, relating to Business Continuity Management, Critical Incident Management and IT Disaster Recovery;

7.4.3. Approves risk management procedures, as necessary;

7.4.4. Approves compliance procedures, as necessary; and

7.4.5. Ensures that all procedures are aligned with the RBHS strategic and operational objectives as well as relevant national and provincial legislation.

7.5. Business Manager:

7.5.1. Develops and manages systems, processes and procedures that promote effective risk management;

7.5.2. Ensures that risk management activities are carried out in the accordance with this policy and associated procedures;

7.5.3. Reports to the Board, Finance Committee and Estates Committee on risk and compliance management matters, where inherent high-critical risks:

7.5.3.1. For Finance, Estates and ICT are reported to the Finance Committee on an annual basis together with the results of the compliance self- assessment; and

7.5.3.2. All others are reported to the Board on an annual basis together with the results of the compliance self-assessment;

7.5.4. Coordinates the maintenance of the Compliance Programme in accordance with this policy and associated procedures;

7.5.5. Provides support and training to staff where appropriate; and

7.5.6. Monitors and reports on compliance.



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

7.6. Risk owners:

Risk Owners are assigned to each risk area detailed in the RBHS Risk Register, and agreed to the responsibilities associated with these assignments. Risk Owners are, in general, the most senior staff member who is responsible for the management of the particular risk.

7.6.1. Provide the Business Manager with information to report to the Board on progress against mitigation plans and the results of compliance reviews and risk assessments performed on new initiatives;

7.6.2. Ensure that compliance risks in their assigned risk areas are recognized, managed and reported.

7.7. RBHS staff:

7.7.1. Diligently identify risks and report them to their supervisor, especially during periods of change to processes or operational practice;

7.7.2. Comply with all risk treatments;

7.7.3. Ensure that they are aware of compliance responsibilities that apply to their area of work or activities, and ensure that their actions on behalf of RBHS comply with relevant laws.

8. ADOPTION

The Board hereby adopts this policy. For an behalf of the RBHS Board of Governors:

Name: _____

Role: _____

Signature: _____

Date: _____



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

9. APPENDIX A: DEFINITIONS

Term	Definition
Residual Risk	The level of risk that remains after assessing the effectiveness of the controls, management strategies and other mechanisms currently in place to mitigate a particular risk.
Risk	A risk to RBHS that has the potential to threaten the achievement of our objectives.
Risk Management	The culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by RBHS. The process of managing risk is achieved through the systematic application of policies, procedures and practices to establish the context, identify, analyse, evaluate, treat, monitor and communicate risk.
Risk Analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.
Consequence	The outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.
Likelihood	A qualitative description of probability or frequency.
Loss	Any negative consequence, financial or otherwise.
Risk Appetite	The amount of risk that RBHS is prepared to accept or be exposed to at any point in time.
Risk Treatment	Selection and implementation of appropriate options for dealing with risk.



Reference number POL 1.0
 Version number V201808
 Version date August 2018
 Type of document Policy

Risk and Compliance Policy

Term	Definition
Significant Incident	<p>Characteristics of a Significant Incident include, but are not limited to:</p> <ul style="list-style-type: none"> • Incident requiring management by a senior member of staff to allow appropriate, prompt decisions to be made; • Minor injuries to staff, pupils or other members of the general public • Potential trauma to staff and/or pupils; • Potential for external media to become aware of the situation; • Impact on critical IT service availability to the School with a potential down time of up to 2 hours. <p>Significant Incidents may include: Staff or pupil injuries that may require medical attention:</p> <ul style="list-style-type: none"> • Staff/pupil violence • Repairable damage to buildings • IT outage up to 2 hours; and/or • Temporary telephone system outage.
Risk Register	The register that records information about the corporate risks faced by RBHS and relevant controls being put in place to mitigate against them.
Compliance	The process of adhering to the law and the obligations and requirements arising from the law.
Compliance Culture	The sum of values, ethics and beliefs that exist throughout an organisation and which interact with the organisation's structures and control systems to produce behavioural norms that are conducive to compliance outcomes.
Compliance Failure	An act or a failure to act to meet the organisation's compliance obligations, processes or behavioural obligations.
Compliance Programme	A series of activities designed to achieve compliance.
Register of Compliance Obligations	The list of compliance requirements that have been identified by RBHS.



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

10. APPENDIX B: RISK MANAGEMENT PROCESS

RBHS will utilise a risk management process that consists of the following key stages:

- 10.1. Risk Identification: Identifying all reasonably foreseeable risks associated with its activities.
- 10.2. Risk Rating: Quantifying those risks (inherent and residual) using the criteria detailed in Appendix D.
- 10.3. Risk Controls / Treatments: Assessing the risk, identifying options to treat risks and developing mitigation plans.
- 10.4. Risk Monitoring and Reporting: Performing self-assessment of compliance with risk treatments and reporting the results to the Board and Finance Committee in line with the Compliance Programme.

10.5. Risk Identification

A key mechanism for the identification of risks at RBHS is the development and maintenance of the RBHS Risk Register.

- 10.5.1. Risks will be identified in the context of Strategic Priorities, Compliance to legislation and Health and Safety requirements.
- 10.5.2. The Risk Register identifies the key risks that may potentially prevent RBHS from achieving its objectives. The register outlines the key risks, inherent risk rating, residual risk rating, and controls currently in place to manage the risk and action plans to address those risks.
- 10.5.3. Risks may also be added to the RBHS Risk Register on a periodic basis throughout the year.
- 10.5.4. All new initiatives undertaken by RBHS, such as IT, capital expenditure and commercial ventures, will require a risk assessment as part of the project development phase. All RBHS overnight excursions will require a separate risk register.



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

10.6. Risk Rating

Risks will be rated in accordance with the tables in Appendix D as follows:

10.6.1. Risks will be assessed and rated in terms of the potential consequence of the risk and the likelihood of the risk occurring.

10.6.2. Risks will be assessed without controls i.e. inherent risks as well as with controls i.e. residual risks.

10.6.3. All identified risks will be rated consistently using the criteria and rating scales contained in the Appendix D. The consequence rating should be assigned to a risk when considering the consequences to the School as a whole.

10.7. Risk Treatments / Controls

Options for treating each risk will be identified. The options will be evaluated and accountability for the risk will be assigned. Risk treatment plans will be prepared and implemented.

The following options may be used for treating risks and will be determined in the light of risk appetite and risk assessment:

10.7.1. Avoid the risk;

10.7.2. Mitigate the risk;

10.7.3. Transfer the risk; and

10.7.4. Accept the risk.

Risk mitigation, or risk treatment, involves putting in place controls to reduce the level of residual risk to a level that is considered acceptable by RBHS. This is also known as the target risk rating.

Risk mitigation plans will be developed for all risks that are rated residually as Critical, High, or Moderate.

10.8. Actions

Where residual risks status is above RBHS' risk appetite additional risk treatments will be identified these will be detailed as 'Action Items' in Risk Owner's Reports. Action items will include due dates and will be followed up and reported on.



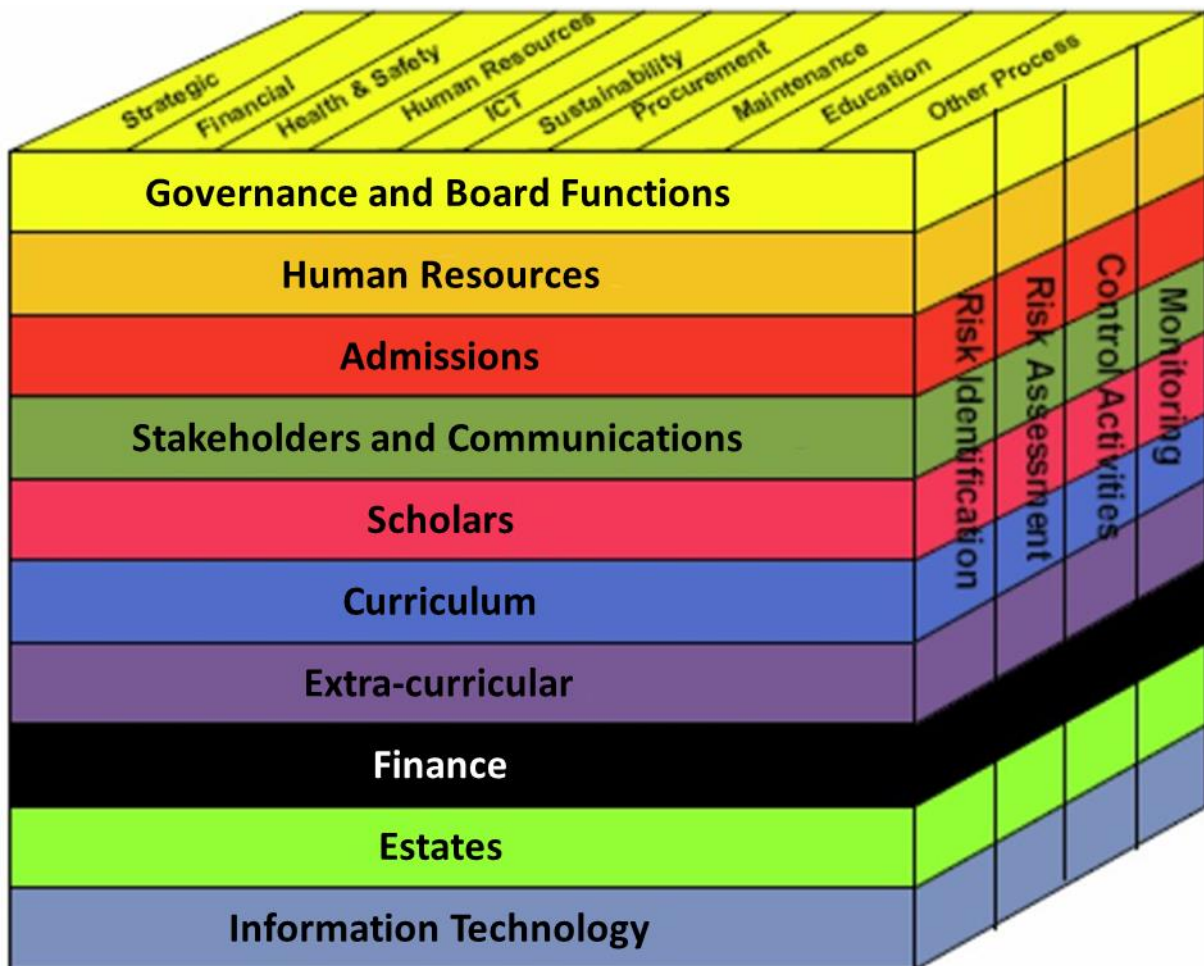
Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

11. APPENDIX C: RISK MATRIX

The following matrix notes the two dimensions in which all risks will be assessed. Risks Owners will be allocated in according with functional levels e.g. Estates or Finance.

For all risks in a function where appropriate a process level will be identified e.g. Chemical spill risk will be documented in the Curriculum Functional area and will also be identified as a Health and Safety risk. This will provide the opportunity to review risks either as processes e.g. all RBHS Health and Safety risks or Functions e.g. all Facilities risks.





Reference number POL 1.0
 Version number V201808
 Version date August 2018
 Type of document Policy

Risk and Compliance Policy

12. APPENDIX D: RISK RATING SCALES AND TABLES LIKELIHOOD LEVELS

Likelihood generally describes the probability or frequency of an event. The likelihood of an event can be classified as:

Almost certain	The event is generally expected to occur at least every year; except for ICT risk ratings which will be moderated based on RBHS' ability to continue to function
Likely	The event is generally expected to occur at least every 3 years
Possible	The event is generally expected to occur at least every 10 years
Unlikely	The event is generally expected to occur at least every 30 years
Rare	The event is generally expected to occur no more frequently than every 40 years

12.1. Risk Matrix

The following matrix, and the Likelihood and Consequence Levels as defined below have been adapted from the Australian/New Zealand Standard on Risk Management (AS/NZS 4360:2004).

		CONSEQUENCE				
		Trivial	Minor	Moderate	Substantial	Extreme
LIKELIHOOD	Almost Certain (expected at least within every year) NOTE: special arrangements for rating ICT – ratings will be moderated based on the school's ability to continue to function.	L	M	H	C	C
	Highly Likely (expected at least every 3 years)	L	M	H	C	C
	Reasonably Likely (expected at least every 10 years)	L	M	M	H	C
	Low Likelihood (expected at least every 30 years)	L	L	M	M	H
	Rare (expected, if at all, not more frequently than every 40 years)	L	L	M	M	H

The consequence is assessed using the table defined in clause 12.2.



Reference number POL 1.0
 Version number V201808
 Version date August 2018
 Type of document Policy

Risk and Compliance Policy

12.1. Risk Consequence Summary

RISK RATING					
	TRIVIAL	MINOR	MODERATE	SUBSTANTIAL	EXTREME
Damage to Reputation	Minor negative publicity	Adverse contained publicity	Significant adverse publicity in public domain	Sustained adverse publicity nationwide-wide. Departmental dissatisfaction	Loss of accreditation, Action required by Minister
Health & Welfare of Pupils & Staff	Minor injury not requiring first aid treatment	Minor injury requiring first aid treatment	Hospitalisation required for injury/s, but full recovery anticipated	Serious medical condition/injury's requiring hospitalisation and long term care	Very significant risk of extensive injuries requiring extended hospitalisation and or serious permanent damage / Death
Matric Results	Minimal change to the distribution of results year on year	25% reduction in the number of distinctions and subject failures year on year	25% reduction in the number of distinctions and subject failures year on year accompanied by a significant reduction in the number of University entrance passes	25% reduction in the number of distinctions and subject failures year on year accompanied by a significant increase in NSC passes in overall results. More than two NSC failures.	>50% reduction in the number of distinctions and subject failures year on year accompanied by a significant increase in NSC passes in overall results. More than 5 failures.
Financial	< R5,000	R5,000 - R50,000	R50,001 - R500,000	R500,001 - R1,000,000	> R1,000,000
Breach of Legislation	Minor administrative breach, rectified after identification	Minor breach resulting in caution and corrective action	Breach resulting in fine or corrective action	Major breach resulting in fines and damages	Severe breach resulting in substantial litigation
Reduction in Enrolments	Minor reduction in enrolments (<5 pupils)	Reduction of 5 – 10 pupils	Reduction of 10 – 25 pupils	Reduction of 25 – 75 enrolments	Reduction > 75 pupils



Reference number POL 1.0
 Version number V201808
 Version date August 2018
 Type of document Policy

Risk and Compliance Policy

RISK RATING					
	TRIVIAL	MINOR	MODERATE	SUBSTANTIAL	EXTREME
Security	Localised incident. Minor or no effect on operations	Localised incident. Moderate effect on operations fixed within 2 hours	Significant incident. Sustained effect on Operations less than 1 day effect on business.	Severe incident resulting in total shutdown and/or loss of data 1-2 day's system outage.	Long term impact to ongoing service delivery and or regulatory 'fall-out' due to delayed recovery of data / permanent loss of data. Or outage exceeding 2 days.
Loss of Quality Staff	Routine resignations due to personal circumstances only	Routine resignations and leave situations resulting in < 10% change	Inability to replace a Staff member/s in adequate time. Resignation s 11-15% change	>15% but < 30% resignations owing to dissatisfaction with organisation and/or inability to appoint replacements	>30% resignations owing to dissatisfaction with organisation and inability to appoint replacements
Disruption to Curriculum/ Operations	Timetabling issues but no interruption to classes	Disruption to some classes but manageable by altered programme	Disruption to a number of classes over a period of time	All classes affected over a sustained period of time	Total dysfunction and total shutdown of classes
Disruptions to ICT Systems	Inconvenience but no interruption to classes/operations	Disruption to Some classes/ departments but manageable by altered programme	Disruption to a number of classes/ department s over a period of time	All classes/ departments affected over a period of time	Total dysfunction and total shutdown for more than a week



Reference number	POL 1.0
Version number	V201808
Version date	August 2018
Type of document	Policy

Risk and Compliance Policy

12.1. Assessing Residual Risks

The Risk Register includes an assessment of both the identified 'inherent' risks (i.e. the risk before evaluation of the effectiveness of relevant controls) and the 'residual' risk (after such evaluation) RBHS staff is therefore required to assess the effectiveness of the controls in place using an effectiveness rating.

Effectiveness of Controls	Descriptor
Very effective	The control achieves its intended outcome and is fully implemented
Partially Effective	The control only partially achieves its intended outcome or is not yet fully implemented
Ineffective	The control does not achieve its intended outcome or is not yet fully implemented

Rondebosch Boys' High School acknowledges the work of Brisbane Girls Grammar School and TAS in compiling this Framework.