NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
INSTITUTIONAL OFFICE ®

Policy on governance oversight and management control

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Policy on governance oversight and management control

1 Preamble

As a pre-eminent university in Africa, driven by the pursuit of knowledge and innovation, with a unique institutional culture based upon the values the University espouses, the North-West University has adopted this Policy on governance oversight and management control on 18 November 2011.

2 Policy statement

This policy is paramount to the good governance of this University and its effective and efficient management. It focuses on the responsibility of certain governance structures to control the operations of the University.

There are five interrelated components of internal control that should be present and functioning, forming an integrated system of controls:

(1) The control environment, which includes the integrity, ethical values, and competence of the university's employees;

(2) Risk assessment;

(3) Control activities;

(4) Information and communications; and

(5) Monitoring

2.1 Processes

Management is charged with the responsibility for establishing a network of processes with the objective of controlling the operations of the University in a manner that provides Council with a reasonable assurance that:

- Data and information (as contained in records of the NWU and on ERP systems) published either internally or externally are accurate, reliable, and timely and managed in accordance with the Records Management Policy of the NWU and with the information governance framework;

- The actions of managers and employees are in compliance with the university's plans, policies, procedures, standards, and all relevant laws and regulations;

- The university's resources (including its people, assets, systems, and data/information bases) are adequately protected;

- Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized; and

- The university's plans, programmes, goals, and objectives are achieved.

2.2 Control

Controlling is a function of management and is an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the university to:

- Identify and evaluate the exposures to loss (risks) that relate to their particular sphere of operations.

- Specify and establish plans, policies, operating standards, procedures, systems, and other disciplines to be used to minimize, mitigate, and/or limit the risks associated with the exposures (risks) identified.

- Establish practical controlling processes that require and encourage directors, officers, and other employees to carry out their duties and responsibilities in a manner that achieves the five control objectives outlined in the preceding paragraph.

- Maintain the effectiveness of the controlling processes they have established and foster continuous improvement to these processes.

2.3 Internal auditing function

The internal auditing function is charged with the responsibility to evaluate that the ongoing processes for controlling operations throughout the organization are adequately designed and functioning in an effective manner. Internal auditing is also responsible for reporting to management and the Audit, Risk and Compliance Committee on the adequacy and effectiveness of the university's systems of internal control, together with ideas, advice, and recommendations to improve the systems.

The internal auditing function should contribute to the governance process by evaluating/improving the processes through which (1) values and goals are established and recommended; (2) accomplishment of goals is monitored; (3) accountability is ensured; and (4) values preserved.

2.4 Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is responsible for monitoring, overseeing, and evaluating the duties and responsibilities of senior management, the internal audit activity, and the external auditors as those duties and responsibilities relate to the university's processes for controlling its operations.

The Audit, Risk and Compliance Committee is also responsible for determining that all major issues reported by the internal auditing activity, the external auditor, and other outside advisors have been satisfactorily resolved. Finally, the Audit, Risk and Compliance Committee is responsible for reporting to Council all important matters pertaining to the university's controlling and risk management processes.

3 Definitions

3.1 Internal control – broadly defined as a process, affected by Council, Institutional Management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following three categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations, university policy, procedures and practices.

3.2 Senior Management – refers to Institutional and Campus Managements, that includes the deans.

3.3 Management – all operational managers on all levels and supervisors.

4 Rules, roles, responsibilities and accountability

4.1 The *governance structure* of the university is the responsibility of the "*oversight group*" (Council, committees of council and stakeholders of the university). By delegation of authority, the "*stewardship group*" (chief executive officer and other members of Institutional Management of the university) becomes the executors of the governance processes.

4.2 The university's *risk management framework*, on which the Audit, Risk and Compliance Committee (a committee of Council) gives strategic guidance and exercises oversight and which is the primary focus of the "*stewardship group*" (Institutional Management), represents the processes by which broad strategies are established and the university's resources are allocated.

4.3 The further delegation of authorities, assignment of responsibilities for implementation of strategies and deployment of resources, and the related *management controls* over these processes (including the decision support information systems) define the major functions of the "*performance group*" (operating and support division management).

4.4 The *oversight and monitoring* mechanisms established at various levels of the university (and combined into the assurance forum), including self-evaluation and feedback of results through the management reporting systems, close the circle of accountability back to the "*stewardship and oversight groups*". The related monitoring (such as audit, quality evaluation, process improvement, and other internal consulting activities) make up the "*assurance group*" that validates the reported results, recommends improvements, and otherwise assists in improving the university's effectiveness.

4.5 It is the responsibility of all *managers* to ensure that policy is adhered to under all circumstances and to take full responsibility for appropriate policies (developed in accordance with the Policy on the Generation and Approval of Policies) being implemented in their areas of responsibility.