



**EFFORTS OF IA ARE CLOSELY CO-ORDINATED WITH THOSE OF THE EXTERNAL AUDIT TEAM TO PROVIDE THE MOST EFFICIENT AND EFFECTIVE ASSURANCE TO THE AUDIT COMMITTEE.**

Refer to page 5 for detail on IA's role in preparing this report.

*Annual internal audit assurance statement*

"It is the opinion of IA that in all material respects, controls evaluated were generally adequate, appropriate and effectively implemented to provide reasonable assurance that risks are being managed to meet the group's objectives."

**COMPLIANCE 13**

Delegated responsibility for guiding and monitoring the group's compliance with applicable legislation, non-binding rules, codes and standards rest with the committee. The group's compliance management framework and compliance policy is approved by the committee, that in turn delegates to senior management, the implementation and execution of compliance management as the first line of defence. The group and divisional compliance functions act as the second line of defence with the internal and external audit functions as the third line of defence.

The group compliance function assists management discharge its regulatory compliance responsibility by providing compliance risk management support. The group compliance function structure includes a group legal and compliance officer and a dedicated legal and compliance manager overseeing

compliance at MRP Money, with general oversight by the head of governance. Within the trading and support divisions (other than MRP Money) compliance is managed as part of existing roles as appropriate.

The group legal and compliance function is responsible for the day-to-day management of the compliance function, including co-ordinating the identification and management of compliance risk, identifying and assessing compliance obligations, co-ordinating divisional and functional compliance functions, monitoring, including legislative updates, reporting and record-keeping. Divisional compliance functions implement controls to meet regulatory requirements, as well as monitoring and reporting relevant to their divisions or departments.

Significant group and divisional compliance risks, trends and mitigation measures are formally reported to senior management at quarterly governance board meetings as well as to the board through both the SETS (regarding compliance matters relevant to the committee's area of oversight) and audit and compliance committee meetings.

Annually a declaration of compliance with the Business Code of Conduct which sets out day-to-day operational compliance with a wide scope

of legislation, is undertaken across the business. The results of this process are reported to the audit and compliance committee as part of its compliance oversight role. Further detail on this can be found on page 78 under the Ethics heading. Senior managers to whom responsibility for the management of priority legal compliance risks are delegated, conduct annual self-assessments of the effectiveness of such compliance and submit statements of regulatory compliance and adherence to the group compliance policy. These assessments are reviewed by the group's legal and compliance officer who provides a written report to the audit and compliance committee as substantive compliance assurance.

For the reporting period there were no repeated regulatory (including environmental regulatory) penalties, sanctions or fines for contraventions of or non-compliance with the group's statutory obligations. Other than the pending Miladys club fee matter before the National Credit Tribunal and the SARS assessment objections and appeal (both of which are covered in the CFO's report on page 27), where non-compliance has been alleged but not proved, there was no material non-compliance with the group's statutory obligations during the reporting period.

Key focus areas during the reporting period were a proactive and voluntary externally facilitated NCA compliance audit, managing local ownership requirements necessary to obtain trading licenses and permits in African countries, continued B-BBEE compliance, working towards Payment Card Industry (PCI) and data protection compliance in terms of General Data Protection Regulations (GDPR) and the Protection of Personal Information Act (POPI).

Planned areas of future focus include obtaining PCI compliance certification, achieving GDPR compliance and updating the POPI implementation plan in anticipation of the POPI becoming fully effective, implementing NCA compliance best practice, working towards improved B-BBEE compliance, and finalising local development commitments in non-South African countries to facilitate expansion.

**INFORMATION AND TECHNOLOGY GOVERNANCE 12**

The committee had delegated oversight of IT governance for the reporting period. From the 2019 financial year the board has delegated this responsibility to the newly established Risk and IT committee. The mrpIT division is responsible for establishing and maintaining effective internal controls over IT to appropriately manage, use and