2010

# Governance and risk management maturity: indicators and performance

Report of survey results — October 2010

CHARTERED SECRETARIES AUSTRALIA

*Leaders in governance*

SAI GLOBAL

2010

# Governance and risk management maturity: indicators and performance

Report of survey results — October 2010

CHARTERED SECRETARIES AUSTRALIA

*Leaders in governance*

## Published by

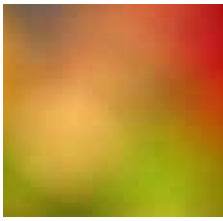
Chartered Secretaries Australia Ltd
GPO Box 1594
Sydney NSW 2001











# Contents


About Chartered Secretaries Australia and SAI Global i

About this report ii

Executive summary 1

Survey report

1. What indicators of governance and risk management maturity are considered important? 4

2. Do governance and risk management professionals differ on the importance of indicators? 10

3. How do Australian listed entities rate their organisation's performance on the indicators of governance and risk management maturity? 15

4. Do governance and risk management professionals differ on ratings of performance against the indicators considered important? 19

Appendix A: Detailed responses to survey 26

# About Chartered Secretaries Australia and SAI Global

## Chartered Secretaries Australia

Chartered Secretaries Australia (CSA) is the independent leader in governance, risk and compliance. As the peak professional body delivering accredited education and the most practical and authoritative training and information in the field, we are focused on improving organisational performance and transparency.

Our Graduate Diploma in Applied Corporate Governance sets the standard for entry into the profession. This is also the gateway to membership of CSA and the Institute of Chartered Secretaries and Administrators (ICSA), the only global association for governance professionals. Our active membership base of more than 8,000 governance professionals means that CSA is in a position to assess and actively contribute to the latest issues and standards in the evolving area of governance.

Members of CSA deal on a day-to-day basis with regulatory bodies and the government. Given the diverse roles our members play in the business community and their expertise in governance, CSA sees this discussion paper as fulfilling its mission of the promotion and advancement of effective governance and administration.

## SAI Global

The SAI Global is an integrated provider of governance risk and compliance services that is built upon our capability to track, interpret and communicate changes in the Australian and global regulatory environment. We offer an extensive range of services that bring together our unique *regulatory understanding with proven technology to deliver*:

- Lawlex Legislative Alerts and Premium Research
- Industry and Practice Regulatory Newsfeeds
- Safety, Health and Environment Monitor
- Global AML & Privacy Knowledgebase
- 200+ GRC eLearning Courses
- GRC Software
- Board Portal Software
- Whistleblower reporting and case management solution
- Obligations Registers
- GRC Consulting.

We equip compliance and risk management professionals with the essential tools to create, communicate, monitor and evaluate their programs to meet their business objectives and build a culture of integrity and compliance. We engage with compliance, ethics and risk management professionals on global and local projects, in one or many languages, and in one or many risk areas. Our differentiation is based on our ability to connect all the pieces of a GRC program resulting in increased effectiveness through the combination of the quality of our products and the level of our services and support.

**Further copies**

Further copies of this survey report are available on the CSA website (http://www.CSAust.com/Surveys) or by contacting CSA on (02) 9223 5744.

# About this report

In February 2010, CSA and SAI Global convened a Roundtable on Governance and Risk Management: Sustainable Organisations, to explore the factors that deliver sustainable, resilient organisations. The focus of the Roundtable was on consideration of the actions that boards and management need to undertake to ensure that their organisations effectively manage risk and are positioned to survive current and future crises and choose business opportunities wisely. Of particular interest was the level of maturity of governance, risk and compliance management of Australian organisations and the impact of this maturity level on their ability to survive external and internal crises; coupled with the development and analysis of what constitute the key indicators of the effective management of governance, risk and compliance.

In May 2010, CSA and SAI Global published a joint discussion paper, *Governance and risk management: sustainable organisations*, that suggested a range of governance, risk and compliance indicators that boards and executive management might refer to as part of their management of organisational sustainability, and that in turn might provide a maturity model for the integration of these elements in organisations.

In June 2010, and using the input from the February Roundtable, CSA and SAI Global invited over 500 large to medium-sized Australian listed entities to participate in a web-based survey to gain insight into what those responsible for governance and risk management perceive to be strong indicators of an organisation's governance and risk management maturity. Respondents were provided with a number of indicators and asked to rate both their importance and their organisation's current performance against each indicator. Comments were also sought on any additional indicators that respondents believed need to be considered, as well as their organisation's performance against those additional indicators.

A response from 118 governance and risk management professionals ensured a 23 per cent response rate, which is not only statistically sound but provides a comprehensive snapshot of the current levels of maturity of governance and risk management in the top 500 Australian listed entities. Respondents represented a broad range of job functions and industries, as shown in Figures 1 and 2. The size of organisations represented by respondents maps well against the ASX top 300, as shown in Figure 3.

***Figure 1: Role of respondent***

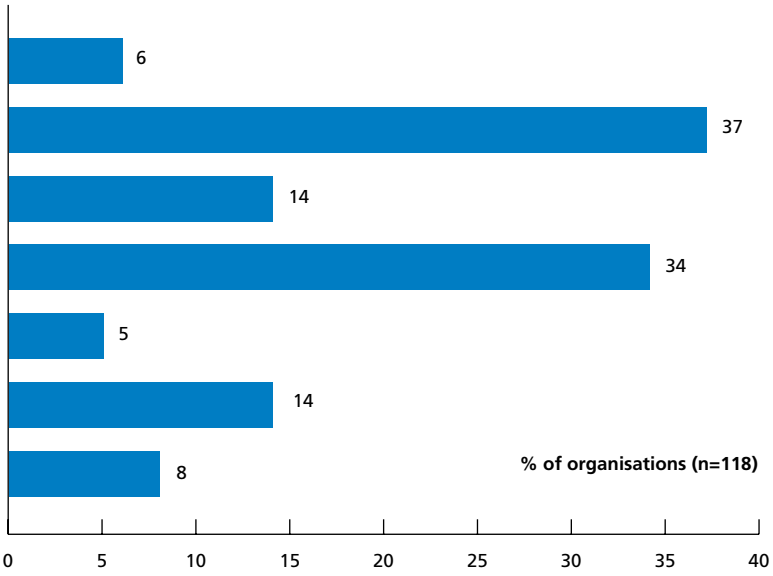



***Figure 2: Types of organisations***

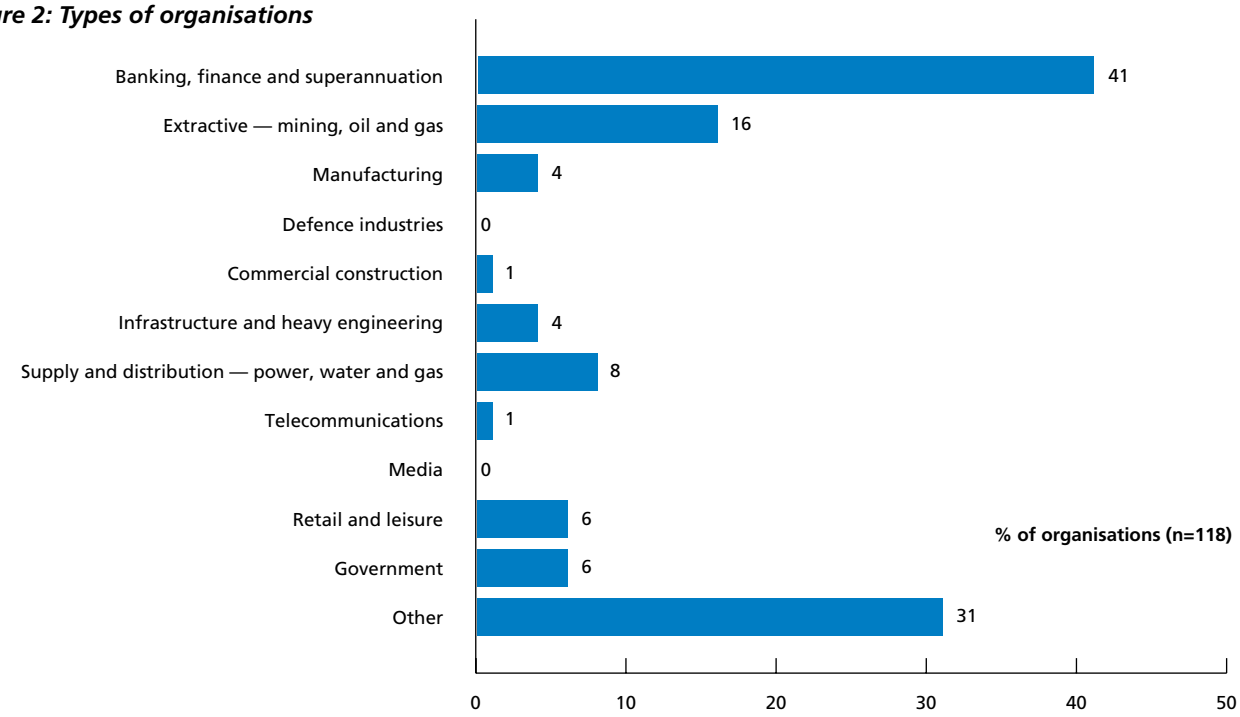
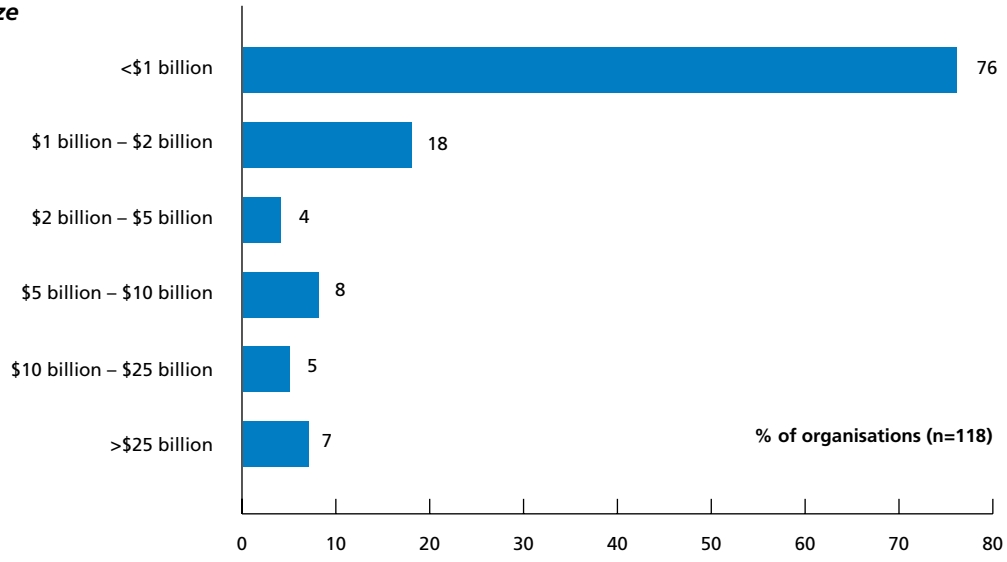



***Figure 3: Organisation size***



# Survey questions

The survey questions were based on:

- output from the February Roundtable
- the range of governance, risk and compliance indicators identified in the discussion paper, *Governance and risk management: sustainable organisations*
- the principles of Australian Standard AS 3806-2006 Compliance and the new AS/ISO 31000 Risk Management, as well as some of the principles of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The questions were grouped around the following principles and are set out below:

- commitment to governance and risk management
- implementation of governance and risk management
- monitoring and measurement of governance and risk management
- continual improvement of governance and risk management.

## Commitment

- Organisation values are clearly articulated in policies (ethics, governance, risk, compliance).
- The board has independent directors with industry experience.
- The board seeks independent advice on strategic initiatives and risks.
- The risk policy set by the board clearly articulates the organisation's risk appetite.
- Individual thinking and diversity of opinion are valued at the board table and throughout the organisation.
- The organisation's interaction with regulators is open and positive.
- Ownership of risks is clear throughout the business.

## Implementation

- Risk management is enterprise-wide with accountability both communicated and agreed.
- There is a board committee that is responsible for the oversight of risk management.
- Risk and scenario testing of the influence of particular risks are part of strategy development.
- Risk is discussed as an agenda item at every board meeting.
- The escalation process for major incidents is clear.
- The organisation has a senior risk officer who is employed by and accountable to the board.
- Active programs (for example, policy, communication, training, independent whistleblowing etc) are in place to reinforce key governance and risk management cultural values and key compliance issues.
- Dedicated and adequate risk resources (people, technology and budget) are in place.
- Risk management forms a significant component of executive performance plans.
- Governance and risk management processes (including assessment, controls, data collection and reporting) are integrated throughout the organisation.

## Monitoring and measuring

- Key risk indicators are aligned to major strategic drivers.
- Strategic risks are visible to the board, senior executives, each business unit and functional management.
- Risk treatment action plans are in place and reported on regularly.
- Risk controls are monitored at a frequency relevant to their importance.
- Risk reporting delivers timely information to the right level at the right time.

## Continual improvement

- Management regularly initiates reviews.
- An active audit program is in place.
- Recommendations from audits and reviews of success or failure are adopted.
- Major risk incidents are investigated to determine their root cause and processes are in place to improve controls.

Respondents were asked first to rate the importance of statements related to the indicators listed above and then to rate their organisation's performance against each statement. Importance and performance scores ranged from 1 (Extremely Low) through to 10 (Extremely High).

Within each grouping of principles, respondents were also asked to nominate any other indicators that they believed were appropriate and should be highly rated, and to rate their organisation's performance against that indicator.

Using a weighting algorithm, each statement was given a weighted score of between 1 and 10 to allow ranking within and across the four principles. Analysis was also able to be undertaken comparing the weighted scores by respondent role (grouped into 'governance professionals' and 'risk and compliance professionals').

# Executive summary

The ongoing project over the past decade of strengthening board oversight of management and improving the exercise of informed ownership by shareholders has seen governance practice move from the margins to the mainstream. The development and analysis of what constitute the key indicators of the effective management of not just governance, but also risk and compliance, is at an earlier stage of evolution. The survey revealed that governance and risk professionals give a different weighting to particular indicators of governance and risk management maturity.

This in itself is an indicator of where boards and management need to pay attention, given that risk management is integral to good governance. The results suggest that there are clear stages in the evolution of integrated governance and risk management frameworks. Commitment and 'tone from the top' is the first stage and is widely accepted. The next stage is implementation, which remains a work in progress. The final stage is the forward-looking, strategic phase, and Australian listed entities have yet to grapple with this stage.

## Key findings

The strong level of consensus by all respondents on the importance of certain key indicators of the maturity of governance, risk and compliance was apparent in the results. This agreement suggests that some processes can be migrated from one industry and one type of organisation to another in a way that allows for benchmarking and enhanced knowledge.

- Governance and risk management frameworks are not integrated. Governance frameworks are mature, but risk management is still at the operational level.
- Governance professionals focus on organisational reputation and director liability — they have a helicopter view of governance and risk management frameworks. They are in the boardroom and rate the performance of their companies highly on the independence of mind that is central to any governance framework.
- Risk management professionals focus on cascading risk management ownership through the organisation — their view is operational. Risk management professionals give lower rates of performance on independent thought and challenging questioning than do governance professionals, because they are caught up in operational risk management and not linked in to board deliberations.
- As a result, risk management professionals rate implementation more highly than governance professionals, as the latter group are not linked in to the embedding of operational risk management practices throughout the organisation.
- Both groups see a gap in the performance of their organisations at the forward-looking, strategic level of risk management. This is a key area on which boards and senior management should be focusing. Listed entities still see risk management as value preservation, rather than value creation.
- Boards and management need to focus on initiatives such as scenario testing and embedding KPIs on risk management in the performance plans of senior executives. These indicators point to a more sophisticated forward-looking stage, where maintenance of those

frameworks is so ingrained that risk is not only defined as hazards to be avoided, but also as opportunities to be realised and the uncertainties attached to those opportunities.

- Listed entities need to integrate governance and risk management to achieve strategic focus. This will provide boards with the information they need. It will ensure ongoing ownership of risks, but also strategic oversight.

## The governance, risk and compliance indicators that are considered important

There is a level of consensus by all respondents on the importance of certain key indicators of the maturity of governance, risk and compliance. This agreement suggests that some processes can be migrated from one industry and one type of organisation to another in a way that allows for benchmarking and enhanced knowledge. However, no one indicator rated an importance score of 10 (extremely high), or even a nine. This indicates fragmentation on the approach to what are considered 'must haves' in a governance and risk management framework.

- It appears that 'tone from the top' has been accepted as the foundation element of any governance and risk management framework.
- Organisations recognise the importance of confirming which individual or individuals are required to take ownership of particular risks within the organisation and also which individual or individuals have reporting responsibilities in relation to the management of those risks.
- The concentration of focus on embedding risk management ownership throughout the organisation as the most important indicator of the maturity of governance and risk management frameworks, accompanied by appropriate reporting, implies that organisations are focused on the implementation phase of establishing risk management frameworks.
- However, the lack of support for both scenario testing as part of strategy development and risk management as a key performance indicator in executive performance plans as key indicators of governance, risk and compliance suggests that organisations need to pay further attention to strategic risk oversight.
- Australian listed entities understand the benefits of imposing a structured methodology for critically thinking about risk, and agree this is an important indicator.
- There also is a clear understanding that if there is an over-reaction to risk management failures, it will have adverse consequences, including a reluctance to report future failures. This too is accepted as an important indicator.

## Governance and risk management professionals differ on the importance of indicators

The differing perspectives on the importance of indicators of governance and risk management maturity from those with governance and risk management responsibilities suggest that a full integration of governance and risk management is yet to take place in Australian listed entities. It also supports the contention that governance frameworks are mature, while risk management frameworks are evolving.

- Those closest to the board, the governance professionals, have an ongoing focus on issues that could affect the reputation of both the organisation's and the governing body. Such matters would, concomitantly, have an impact on directors' personal liability.
- Governance professionals have a helicopter view of governance and risk management frameworks. Their presence in the boardroom also sees them rating the independence of mind that is central to any governance framework as a key indicator.
- Risk management professionals, however, seem to be more focused on ensuring that ownership of risk management is cascaded throughout the organisation — their view is operational.
- Both groups considered it very important that risk reporting delivers timely information to the right level at the right time and major risk incidents are investigated to determine their root cause and processes are in place to improve controls.

## The gap between what is considered important and how respondents rate the performance of their organisations

- As governance professionals are always present in the boardroom, giving them a unique perspective on board discussion and the independence of mind that is required for questioning and challenging intelligently and constructively, it is not surprising that they rate their organisations' performance more highly than do risk professionals on the issue of the individual thinking and diversity of opinion being valued at the board table and throughout the organisation.
- Risk management professionals give lower rates of performance on independent thought and challenging questioning than do governance professionals, because they are caught up in operational risk management and not linked in to board deliberations.
- With organisations involved in the implementation phase of cascading risk management through all areas of the business, developing more sophisticated, strategic approaches to risk management at every level is yet to happen.
- Risk and compliance professionals rate performance in relation to senior risk officers more highly than do governance professionals. With governance professional respondents more widely spread across different sizes of organisation, while risk professionals respondents hailed from large listed entities, the variance in rating reflects the commitment to dedicated risk resources undertaken by larger entities.
- The higher rating on performance by risk and compliance professionals on the existence of a dedicated risk committee suggests that where listed entities have dedicated resources, this extends beyond a senior risk officer to ensuring there is also a risk committee. The gap between importance and performance shows the value of dedicated resources and highlights for boards and management the need to consider how to lift performance when additional in-house resources are not feasible.
- Risk and compliance professionals rated the performance of their organisations more positively on the implementation of risk management frameworks than did governance professionals. Given that the risk respondents represent organisations that have put in place dedicated risk resources, whose responsibility it is to develop programs to assist business units to implement good risk management frameworks, this is not surprising. The gap in

performance as noted by governance professionals again highlights the need for boards to consider how they will cascade ownership of risk management throughout an organisation without dedicated risk resources.

- Other gaps in performance as rated by respondents include the investigation of risk incidents to improve controls; recommendations from audits and reviews of success or failure being adopted; and management regularly initiating reviews.

It appears as if Australian listed entities have digested the understanding that a board's most influential role is to set the tone and culture for the organisation as a whole has been digested, and accordingly rate the performance of their organisations reasonably highly on this front.

However, the gap between what is considered important and the rating respondents gave to the performance of their organisations, and the gap between ratings provided by those in governance and those in risk management, support the contention that Australian listed entities have yet to fully integrate governance and risk management. The results strongly suggest that governance frameworks are developed and maintained separately from risk management frameworks.

## What should boards and management do to improve performance?

The results indicate that there are key areas on which boards and management can focus in order to improve the performance of their organisations in relation to integrating governance, risk and compliance frameworks.

### Implementation

With the results showing that the implementation stage is rated by respondents as currently lagging, it is clear that further work is required on establishing ownership of risks throughout the organisation; ensuring reporting responsibilities are clear; assessing how to address implementation when dedicated resources are not feasible; reviewing risk incidents to improve controls; and acting on the recommendations of those reviews. These are straightforward aspects of implementation that can be put in place, monitored and adapted as reporting feeds directly into decision making.

### Strategic risk management

The other area that requires board and management attention is how to move the organisation from the implementation phase, which tends to be operational in focus, to a more forward-looking, strategic phase. This will involve strategic risk assessment, where the emphasis is on not only on preserving value by avoiding hazards, but also on creating value by clarifying and realising opportunities in an informed manner that takes into account the uncertainties attached to those opportunities. This stage can utilise scenario testing and embed strategic risk management as a key performance indicator in performance plans to shift the focus from operational issues to strategic ones.

# Survey results

## What indicators of governance and risk management maturity are considered important?

A strong level of consensus by all respondents on the importance of certain key indicators was apparent in the results. While there was some variance across industries and between governance professionals and risk and compliance professionals, the agreement on certain key indicators of the maturity of governance and risk management frameworks and processes in different organisations suggests that some processes can be migrated from one industry and one type of organisation to another in a way that allows for benchmarking and enhanced knowledge.

The apparent portability of certain key indicators of the maturity of governance and risk management within organisations in turn suggests that boards can translate different views of risk (intuition) into an institutionalised judgment of risk and reward. This allows boards of directors and management to form a view on areas requiring attention, which can then shape the decisions about steps that need to be undertaken to improve risk management within the organisation.

It is important to note that this section canvasses views on the importance of key risk indicators. It does not canvass how Australian listed entities view their performance against these indicators, which is examined in the next section.

### Commitment

The sole indicator that was agreed upon as important in clarifying the commitment to governance and risk management within an organisation was 'Ownership of risks is clear throughout the business'.

Ranked in order of weighted score within each indicator, this indicator was rated the most important across industries.

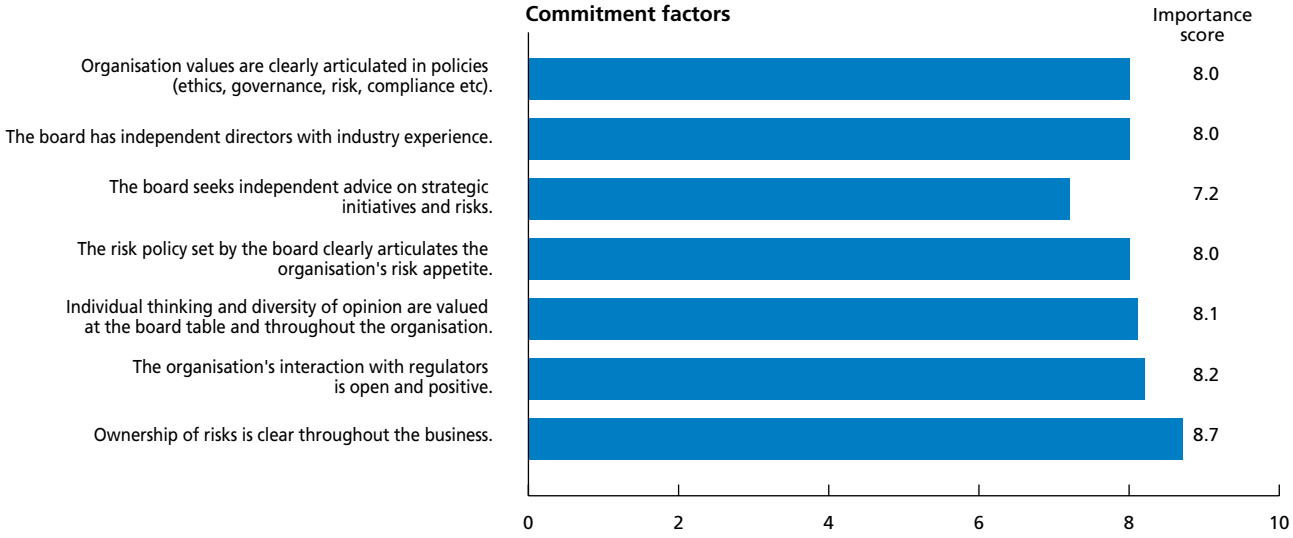
This confirms that there is a strong understanding within organisations of the need to ensure that risks are aligned to business strategy.

The lack of consensus on other indicators, such as the articulation of organisation values in policies, the independence and industry experience of directors, and the articulation of the organisation's risk appetite in the risk policy set by the board raises some interesting questions. One possibility suggested by the results is that those responsible for governance and risk management frameworks are of the view that maturity of understanding has evolved to the point that the articulation of values and risk appetite, as well as the independence of thought of directors, can now be taken as a given. That is, it appears as if recognition that a board's most influential role is to set the tone and culture for the organisation as a whole has been digested.

This in turn intimates that the reporting framework of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* has fostered success in boards taking full responsibility for setting the tone and culture for the organisation as a whole, and in setting an array of policies to drive the culture they seek to create through the organisation. That process has evolved over seven years since the introduction of the first edition of the Principles and Recommendations.

While there is insufficient data to extrapolate on why the indicators of policy setting and values and risk appetite articulation were not uniformly considered important across industries, the consensus on developing a culture of ownership of the governance and risk management framework throughout the organisation does suggest that 'tone from the top' has been accepted as the foundation element of any governance and risk management framework.

***Figure 4: Importance of commitment indicators***




## Implementation

A number of indicators were agreed as being important in relation to implementation. Ranked in order of weighted score within each indicator, consensus formed on:

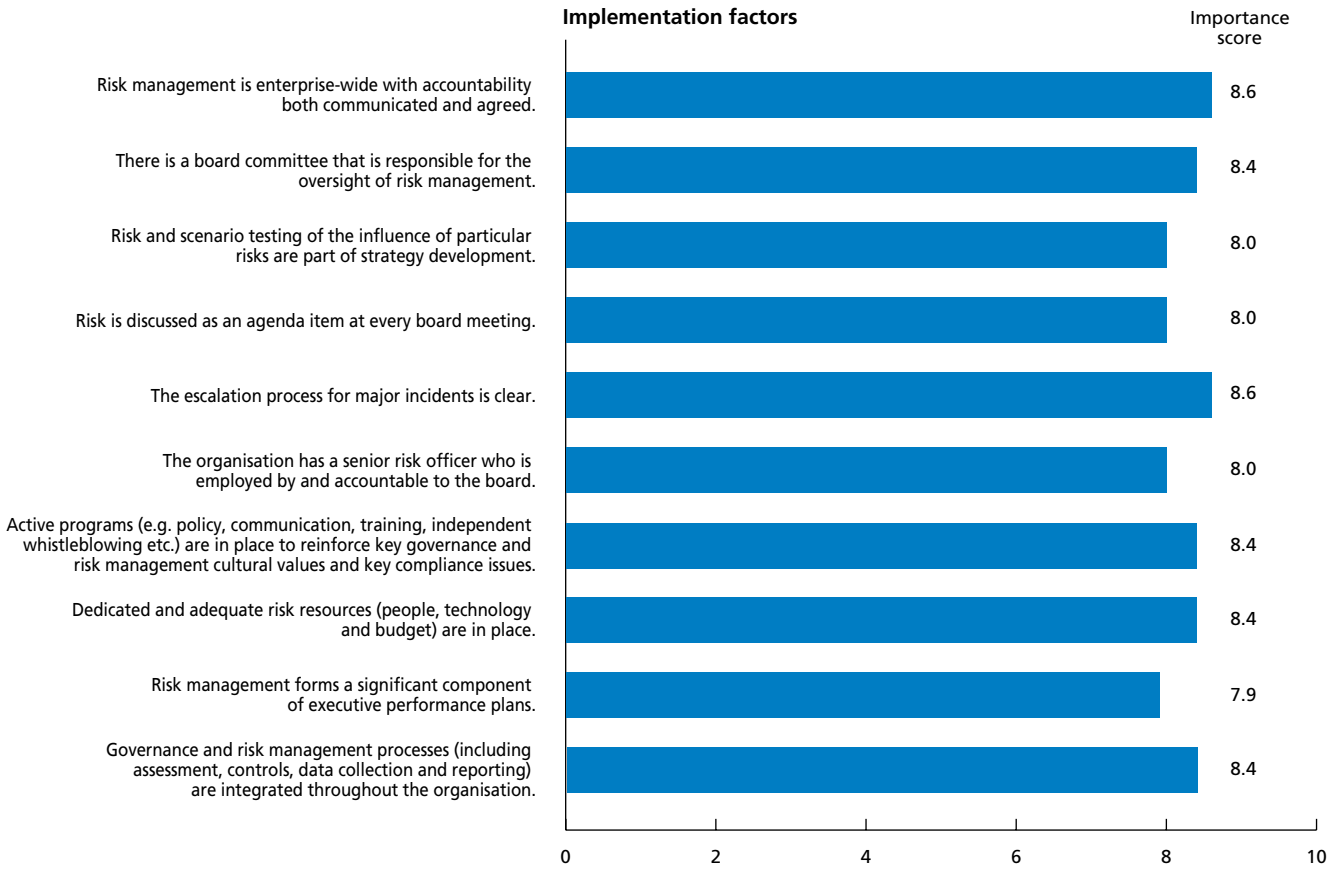
- Risk management is enterprise-wide with accountability both communicated and agreed.
- The escalation process for major incidents is clear.
- There is a board committee that is responsible for the oversight of risk management.
- Active programs are in place to reinforce key governance and risk management culture values and key compliance issues.
- Dedicated and adequate risk resources are in place.
- Governance and risk management processes are integrated throughout the organisation.

These results clarify that organisations recognise the importance of confirming which individual or individuals are required to take ownership of particular risks within the organisation and also which individual or individuals have reporting responsibilities in relation to the management of those risks. The results also reveal that those responsible for governance and risk management recognise the value of a flow of timely, relevant and reliable information being generated from within and outside the organisation on significant business, operational, financial, compliance or other risks related to achieving the organisation's objectives.

Interestingly, the indicators that were not rated as important across industries include whether risk is discussed as an agenda item at every board meeting; whether scenario testing of the influence of particular risks is part of strategy development; and whether risk management forms a significant component of executive performance plans.

It is possible that not all respondents have access to the board agenda, which would explain why this particular matter is not a rated indicator. However, the absence of both scenario testing as part of strategy development and risk management as a key performance indicator in executive performance plans suggests that organisations may need to pay further attention to taking account of new and emerging risks, control failures, market expectations or changes in the company's circumstances or business objectives. The concentration of focus on embedding risk management ownership throughout the organisation, accompanied by an appropriate reporting framework, tends to imply that organisations are in the implementation phase of establishing sound governance and risk management frameworks. The more sophisticated forward-looking stage is where maintenance of those frameworks is so ingrained that they are springboards for further innovation and improved performance. At that stage, risk is not only defined as hazards to be avoided, but also as opportunities to be realised and the uncertainties attached to those opportunities.

***Figure 5: Importance of implementation indicators***



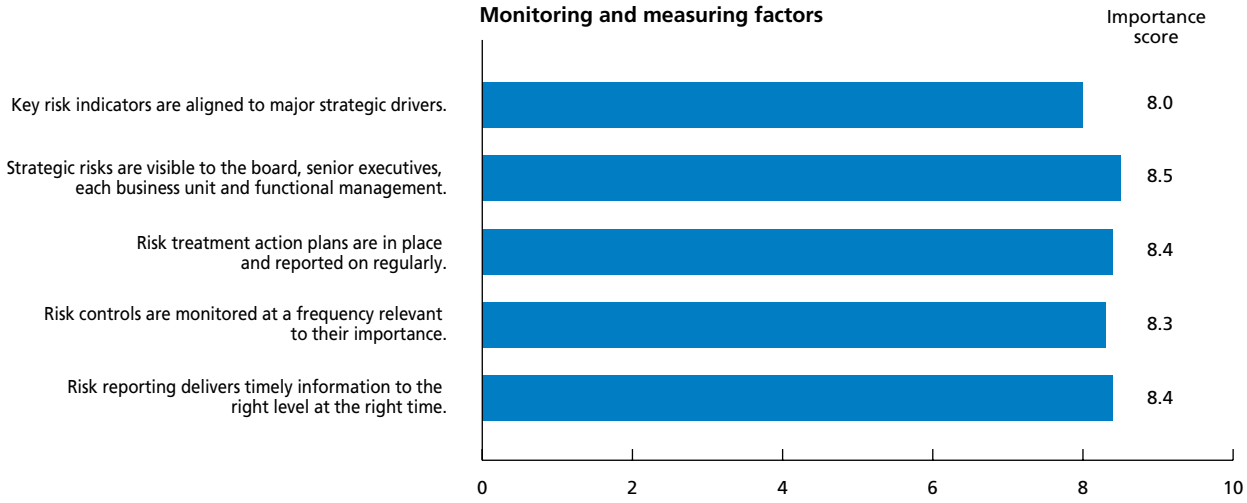
## Monitoring and measuring

The ratings attached to certain key indicators as being important in developing the measures by which identified risks and their treatment will be tracked show that Australian listed entities understand the benefits of imposing a structured methodology for critically thinking about risk. Ranked in order of weighted score within each indicator, consensus formed on:

- Strategic risks are visible to the board, senior executives, each business unit and functional management.
- Risk treatment action plans are in place and reported on regularly.
- Risk reporting delivers timely information to the right level at the right time.

The results show that there is a clear recognition that linking key risk indicators to strategic imperatives is designed to ensure that the risk assessment process leads to advice on options ultimately for decision by the board. The metrics and methodology used for the calibration of performance against the risk appetite are matters for review and approval by the board, and in turn provide clarity to both the board and management as to the levers that need to be engaged to manage any identified risk to the value of the organisation.

***Figure 6: Importance of monitoring and measuring indicators***



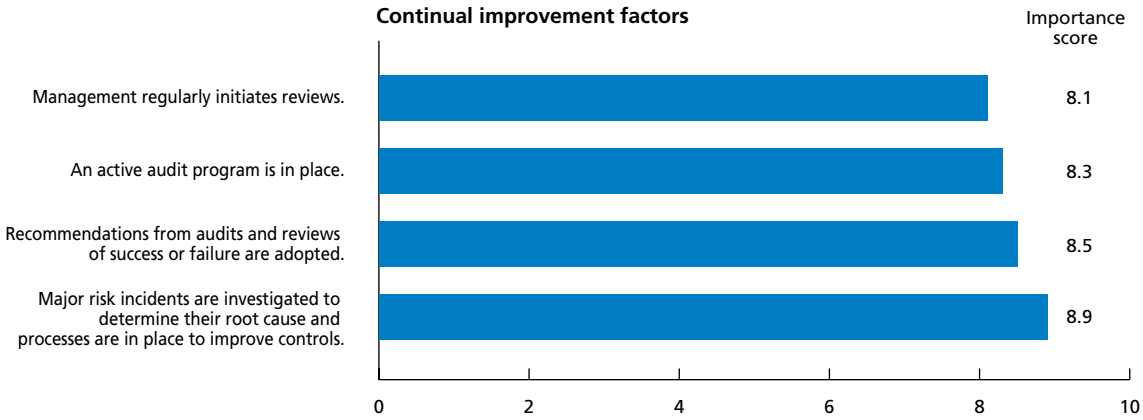

## Continual improvement

The ratings in this section confirm that organisations understand how important it is to learn not only from successes but also from mistakes if risks are identified and accepted. Ranked in order of weighted score within each indicator, consensus formed on:

- Recommendations from audits and reviews of success or failure are adopted.
- Major risk incidents are investigated to determine their root cause and processes are in place to improve controls.

These results show that there is clarity that the intolerable risks need to be identified — those that will put the organisation out of business. Risk management failures need to be learnt from. This would suggest also that there is an understanding that if there is an over-reaction to risk management failures, it will have adverse consequences, including a reluctance to report future failures.

***Figure 7: Importance of continual improvement indicators***




## Highest weighted score by profession

Across all respondents, regardless of their role, the highest weighted score of any indicator was: 'Major risk incidents are investigated to determine their root cause and processes are in place to improve controls'.

The other weighted scores of indicators that were rated highly reflected a concern with implementation of risk management frameworks and systems and processes that resonate with the 'tone from the top'. This is an essential stage of developing maturity in risk management frameworks, but too strong a focus on this stage can preclude attention being given to integrating risk management more fully into strategic planning.

The low scores attributed to other indicators of the maturity of risk management, such as scenario testing and incorporation of risk management in executive performance plans, suggest that Australian listed entities are yet to fully incorporate both upside and downside risks in strategic planning. Management needs to be encouraged to incorporate value creation as well as preservation into its risk management framework.

Without a scenario testing process that incorporates a view into not only the overall risk exposures but also the opportunities available to organisations, there is no means available to verify that risk management incorporates value creation as well as preservation, and that the risk appetite is defined, risk tolerances are identified, and risk is handled accordingly.

Also, if the overt and implicit incentives in executive performance plans are not aligned with either the stated values of the organisation or the mitigation framework to prevent undue risk-taking, it is difficult for boards and management to monitor whether behaviour reflects the culture and risk appetite set in place. Risk-related objectives need to be built into the company's executive remuneration structures.

The following figure ranks the overall weighted score in order of importance.

***Figure 8: Importance score***

### Highest weighted score by industry

The same indicator ('Major risk incidents are investigated to determine their root cause and processes are in place to improve controls') also gained the highest weighted score in the following industry sectors:

- Banking, finance and superannuation (equal score with 'The escalation process for major incidents is clear')
- Extractive — mining, oil and gas (equal score with 'Strategic risks are visible to the board, senior executives, each business unit and functional management')
- Government
- Manufacturing (equal score with 'Management regularly initiates reviews')
- Retail and leisure
- Telecommunications (equal score with twenty two other factors).
- Other (equal score with 'The escalation process for major incidents is clear').

The remaining three industries ranked different indicators as the most important:

- Commercial construction — the highest weighted indicator was that 'The risk policy set by the board clearly articulates the organisation's risk appetite'.
- Infrastructure and heavy engineering — the highest weighted indicator was that 'Ownership of risks is clear throughout the business'.
- Supply — power, water and gas — the highest weighted indicator was that 'Key Risk Indicators are aligned to major strategic drivers'.

## Do governance and risk management professionals differ on the importance of indicators?

Interestingly, the weighting given to particular indicators of governance and risk management maturity differ in the key areas of commitment and implementation between those from a governance background and those from a risk management background. This in itself is an indicator of where boards and management need to pay attention, given that risk management is integral to good governance. With good governance encompassing not only the system by which organisations are controlled but also the mechanisms by which organisations and those who comprise them are held to account, it is an aid to making the right decisions. The governance of risk and compliance is fundamental to making the decisions that set organisational objectives and creating and monitoring the programs to attain them.

The differing perspectives on the importance of indicators of governance and risk management maturity from those with governance and risk management responsibilities suggest that a full integration of governance and risk management has not yet taken place in Australian listed entities. For example:

- In terms of commitment, governance professionals considered it very important that the organisation's relationship with regulators is open and positive, whereas this was much less important than ownership of risks being clear throughout the organisation to risk management professionals.

- In terms of implementation, governance professionals considered it very important that scenario testing of particular risks is part of strategy development, whereas this was rated less important by risk management professionals than other indicators such as risk management being enterprise-wide with accountability both communicated and agreed.

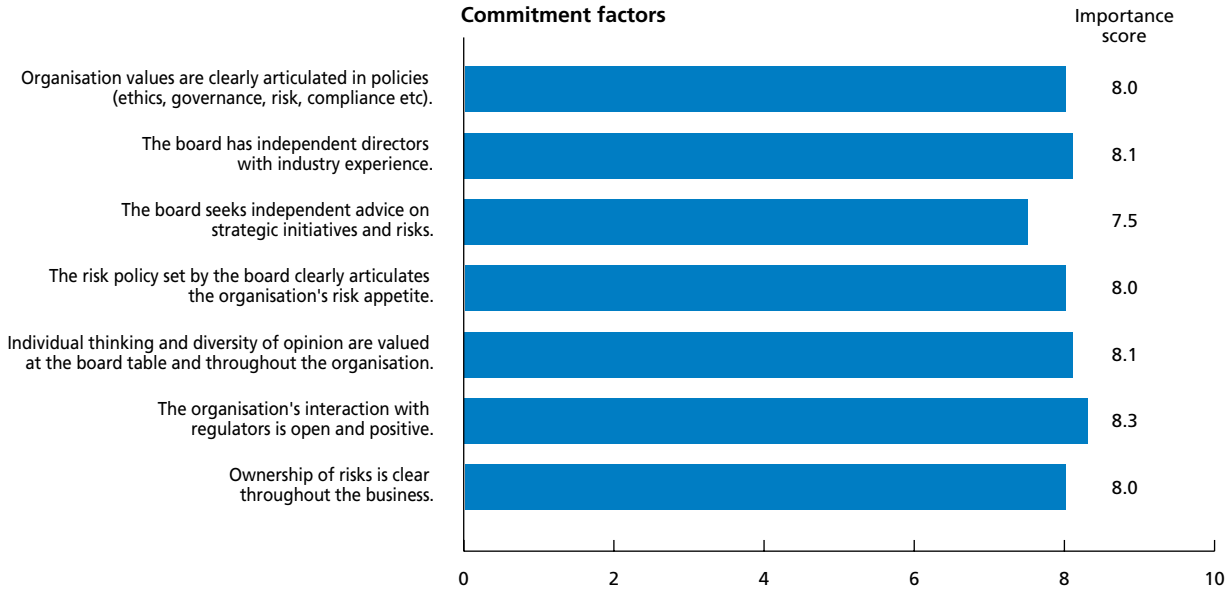
These differing responses suggest that those closest to the board, the governance professionals, have an ongoing focus on issues that could affect the organisation's and governing body's reputation. Such matters would, concomitantly, have an impact on directors' personal liability. Risk management professionals, however, seem to be more focused on ensuring that ownership of risk management is cascaded throughout the organisation.

Integration of these two perspectives provides a holistic approach that brings together complex and disparate risk management and compliance activities across the organisation, in order to efficiently align them with corporate strategy and reinforce organisational culture. A convergence of these perspectives is an opportunity to find new ways of running the business by better creating a sustained stream of high quality metrics about the business. This in turn leads to greater transparency, both within the company and in terms of accountability to external parties.

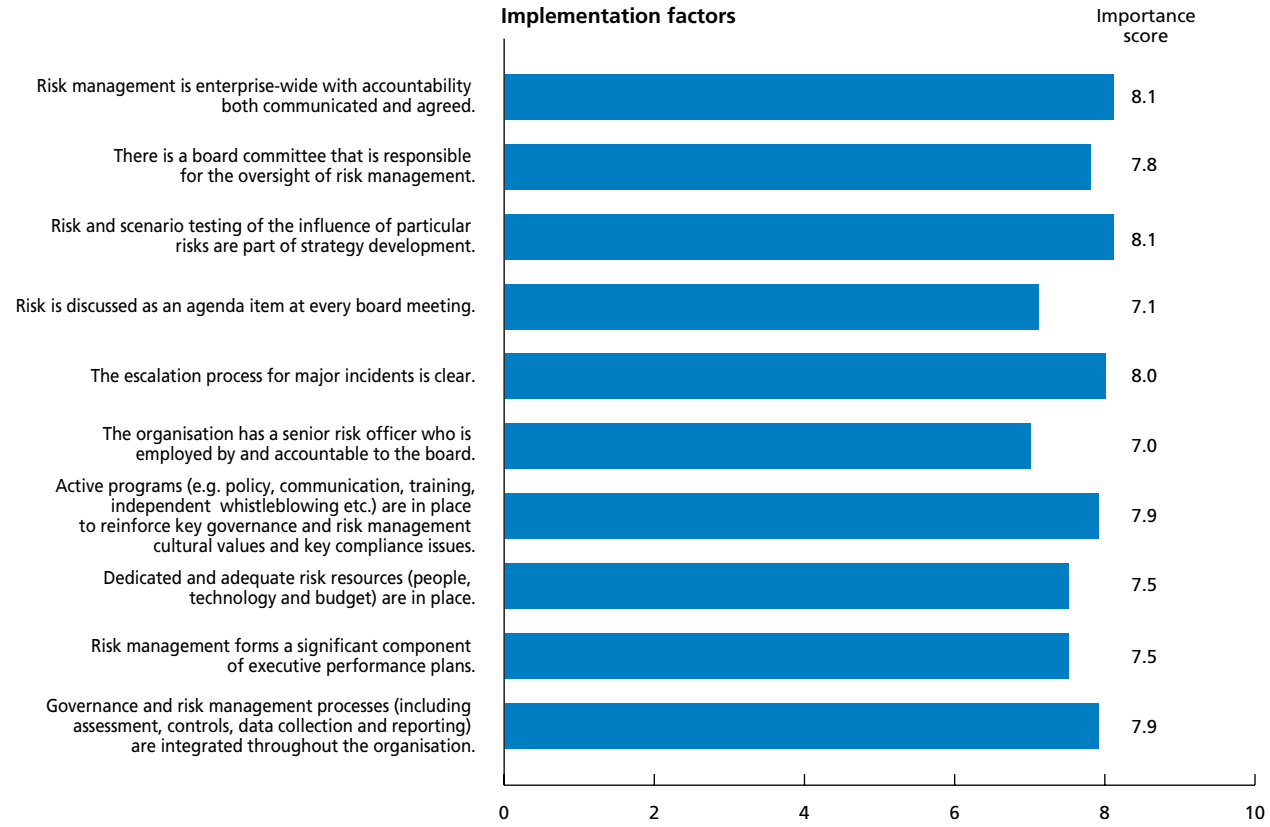
In the areas of monitoring and measuring, and continual improvement, there was no difference between governance and risk management professionals in relation to the importance of indicators. Both groups considered it very important that risk reporting delivers timely information to the right level at the right time and major risk incidents are investigated to determine their root cause and processes are in place to improve controls.

***Figure 9: Governance professionals' view of the importance of indicators of the maturity of governance and risk management***

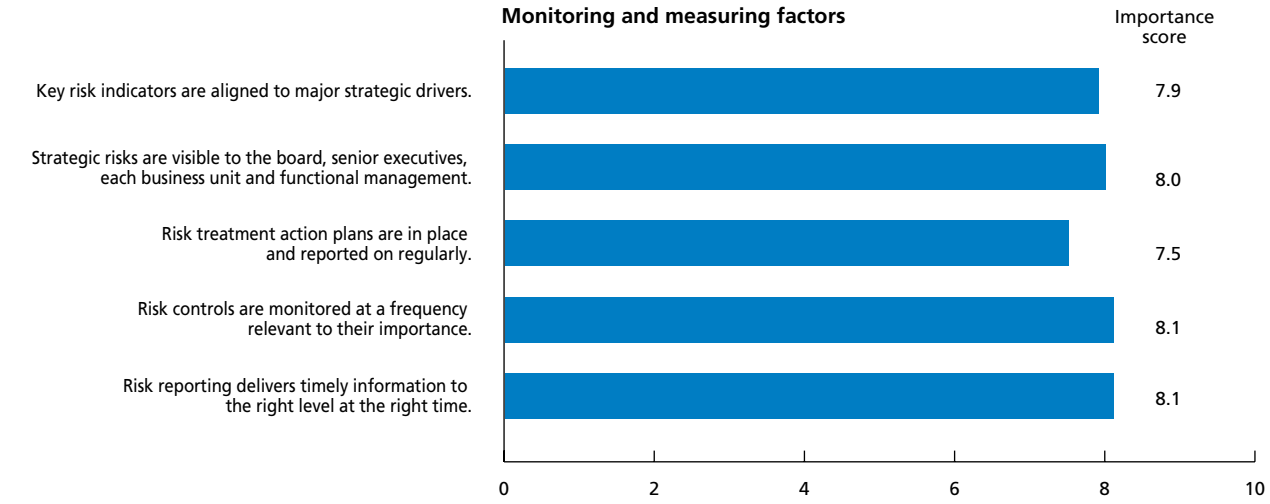
**a) Commitment indicators**



## b) Implementation indicators




## c) Monitoring and measuring indicators




## d) Continual improvement indicators

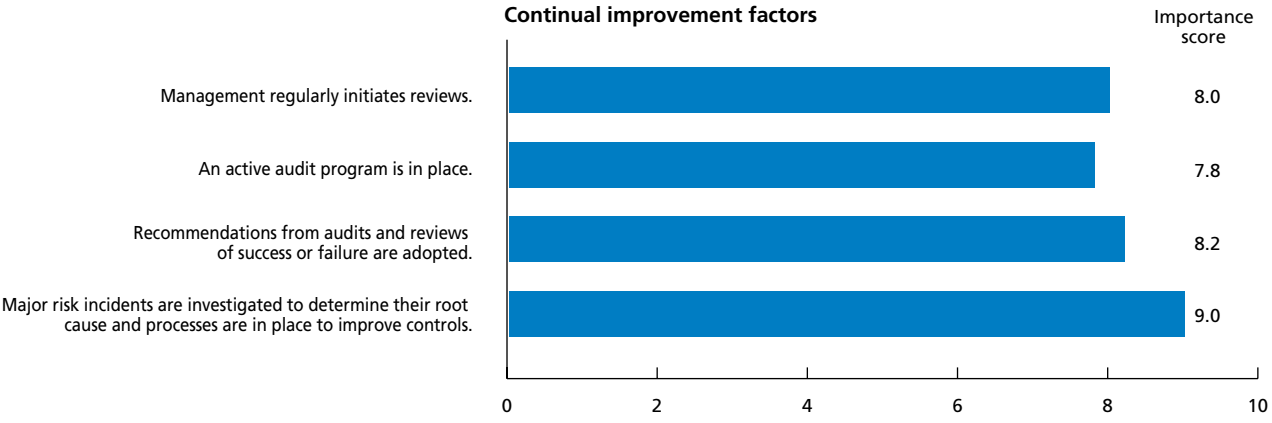
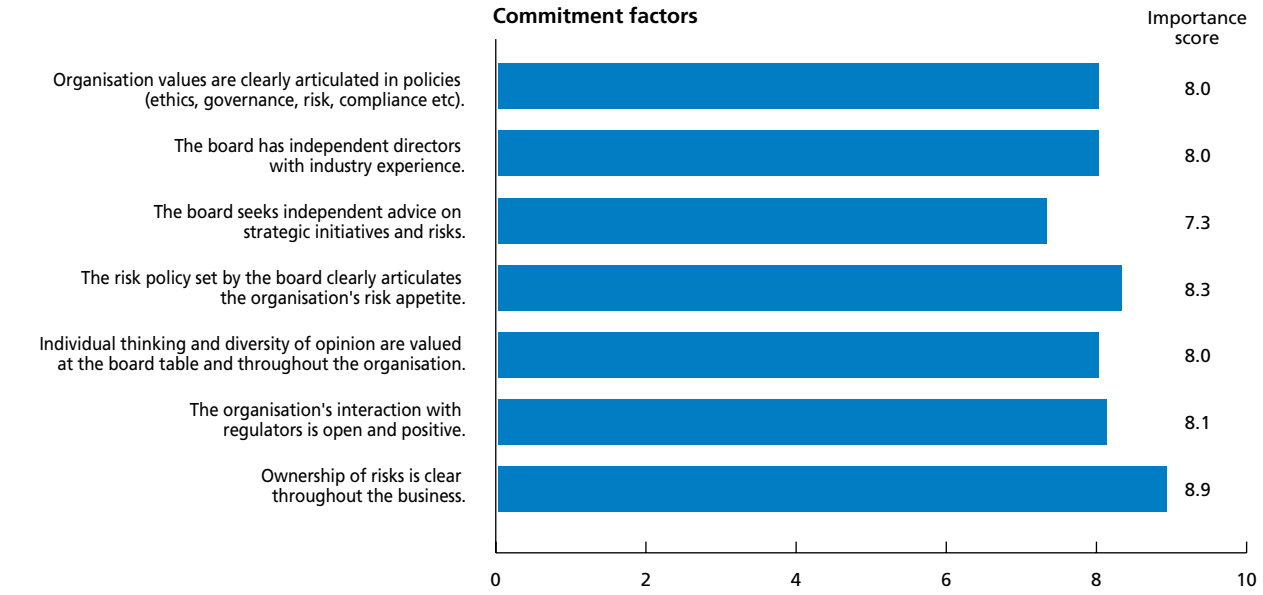
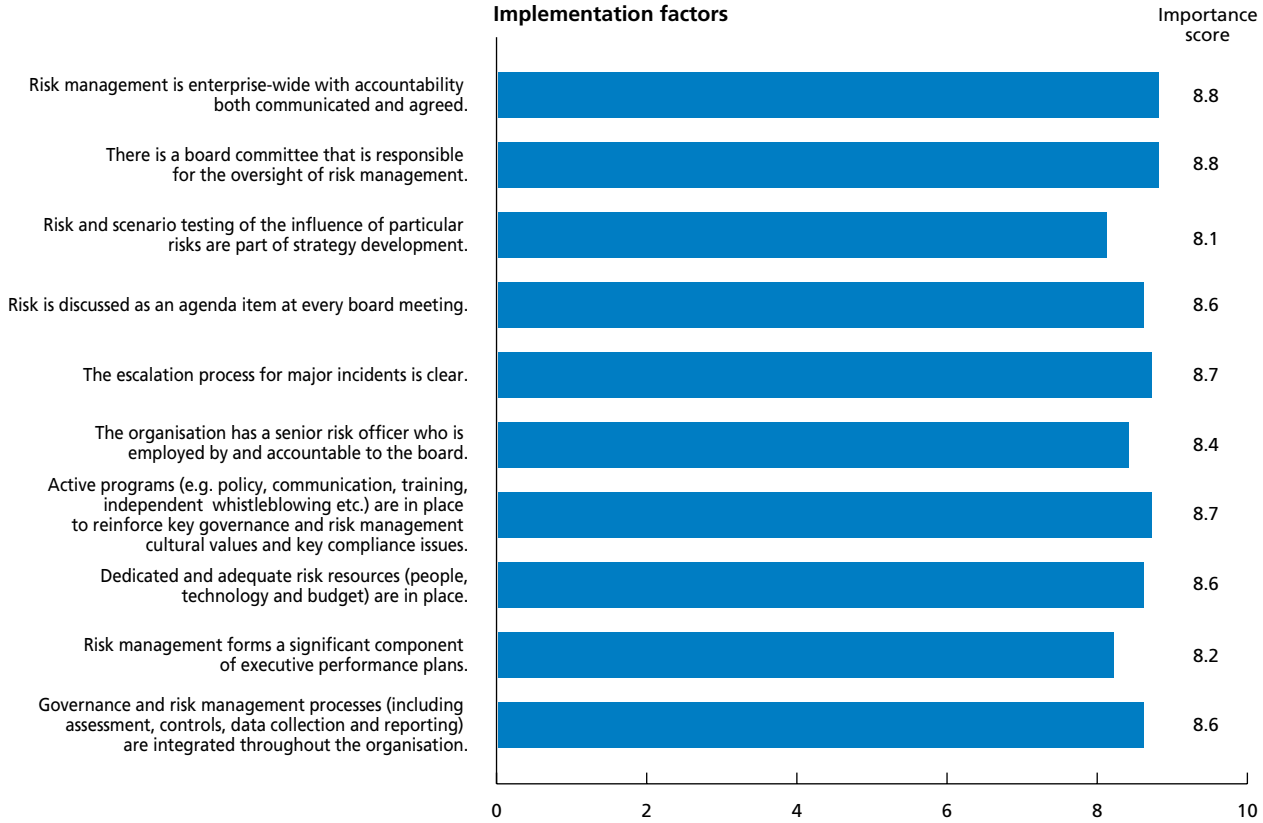


*Figure 10: Risk management professionals' view of the importance of indicators of the maturity of governance and risk management*

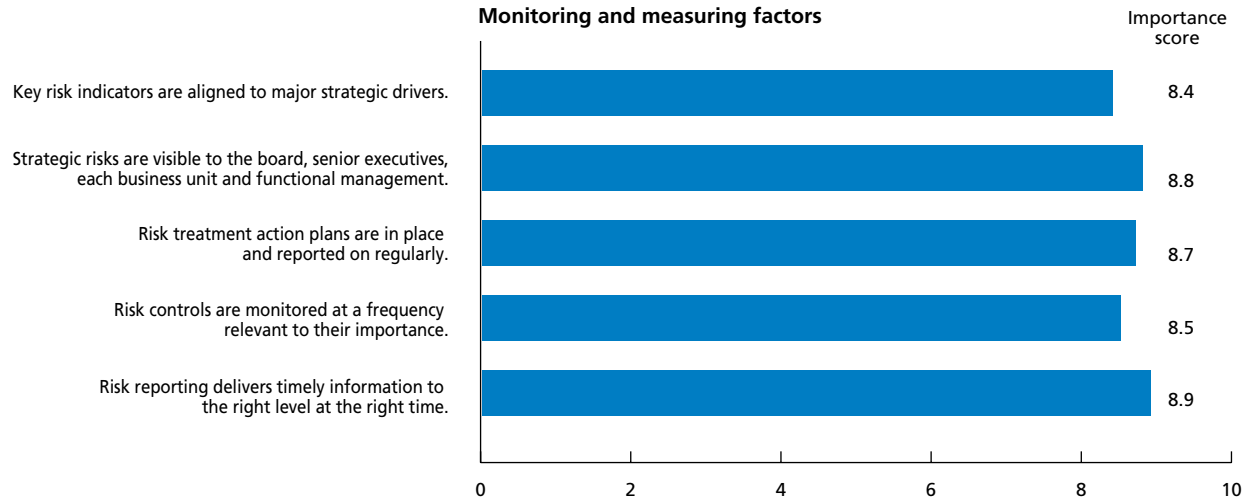
### a) Commitment indicators



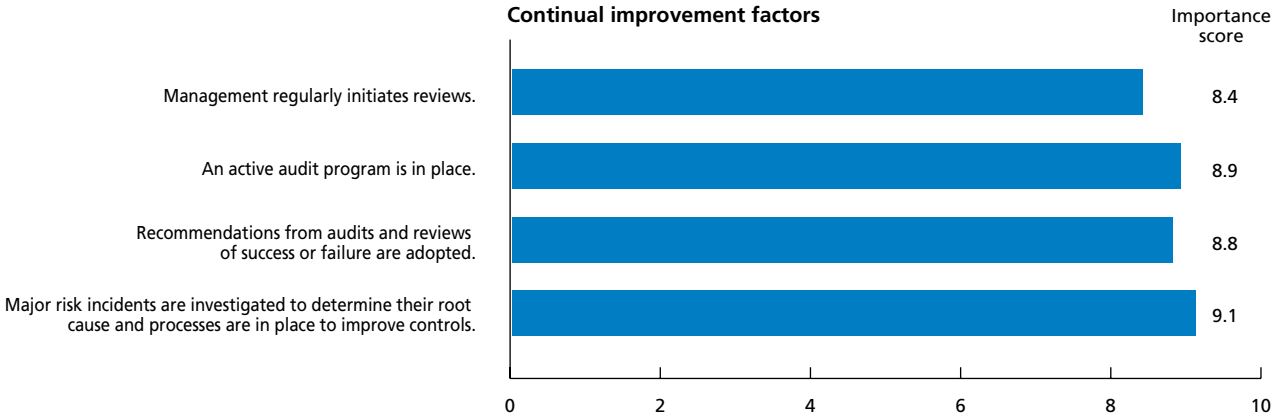

### b) Implementation indicators



### c) Monitoring and measuring indicators




### d) Continual improvement indicators



## How do Australian listed entities rate their organisation's performance on the indicators of governance and risk management maturity?

Having rated which indicators they believe to be important, respondents were then asked to rate their organisation's performance against those indicators, utilising the same scoring ranged from 1 (Extremely Low) through to 10 (Extremely High). As with the importance indicators, using a weighting algorithm, each statement was given a weighted score of between one and 10 to allow ranking within and across the four principles.

Overall, the only weighted performance scores greater than seven were for the following indicators, ranked from highest:

- The organisation's interaction with regulators is open and good (7.7).
- There is a board committee that is responsible for the oversight of risk management (7.5).
- The board has independent directors with industry experience (7.2).
- The escalation process for major incidents is clear (7.2).
- An active audit program is in place (7.1).
- Recommendations from audits and reviews of success or failure are adopted (7.1).

The lowest performance scores were for:

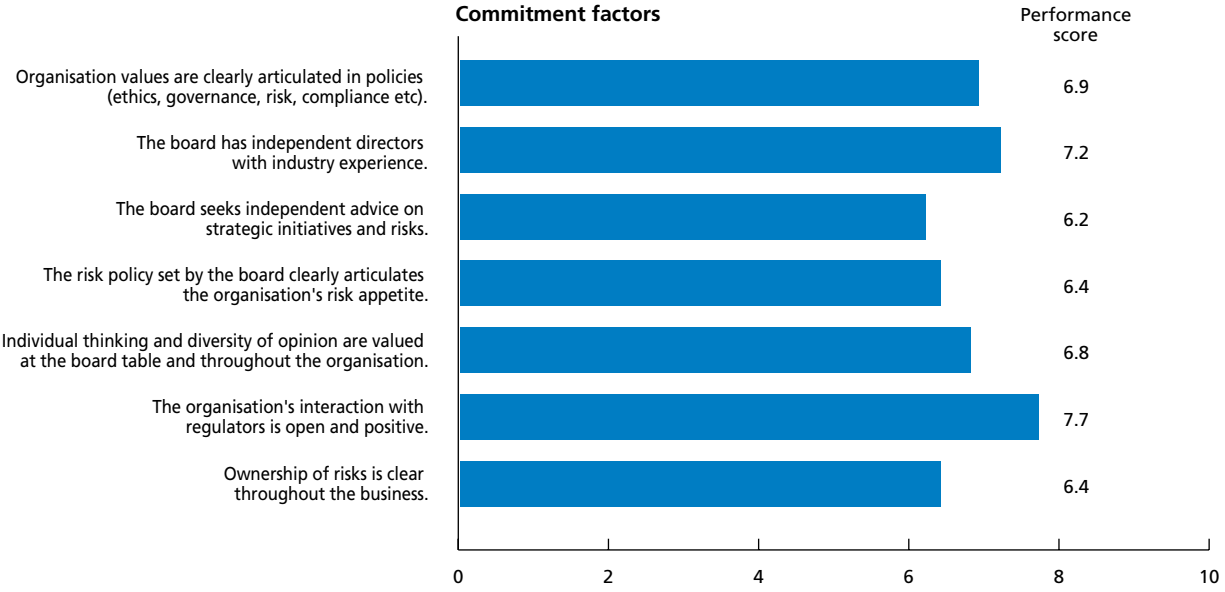
- Risk management forms a significant component of executive performance plans (5.3).
- Risk and scenario testing of the influence of particular risks are part of strategy development (5.7).

These results confirm that those responsible for governance and risk management frameworks have a mature understanding that a board's most influential role is to take full responsibility for setting the tone and culture for the organisation as a whole, and set an array of policies to drive the culture they seek to create through the organisation. With an emphasis on interaction with regulators, independence of directors and audits, it also clarifies that the initial stage of any governance and risk management framework tends to be weighted toward a compliance mindset.

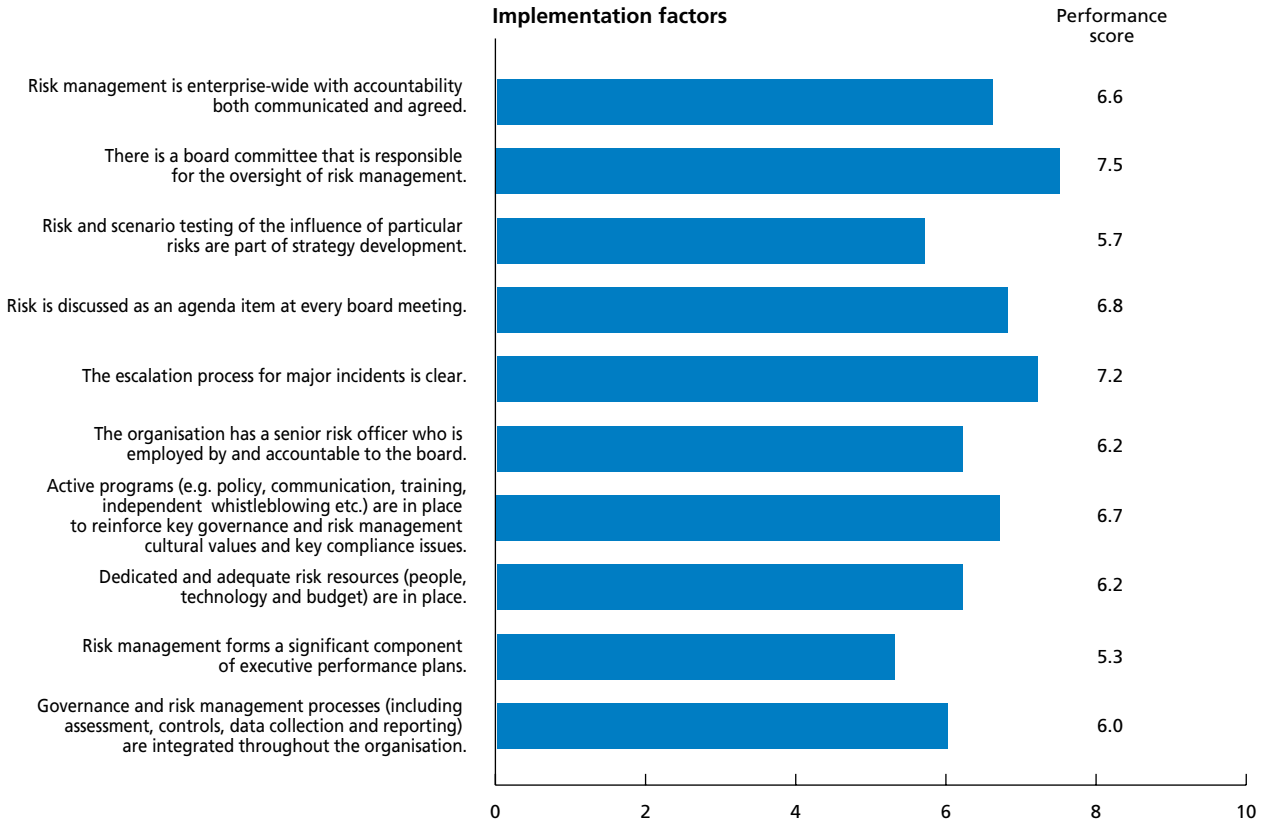
The results also intimate that there are clear stages in the evolution of governance and risk management frameworks, with commitment and 'tone from the top' being the first stage, followed by implementation.

*Figure 11: Performance against the indicators of maturity of governance and risk management*

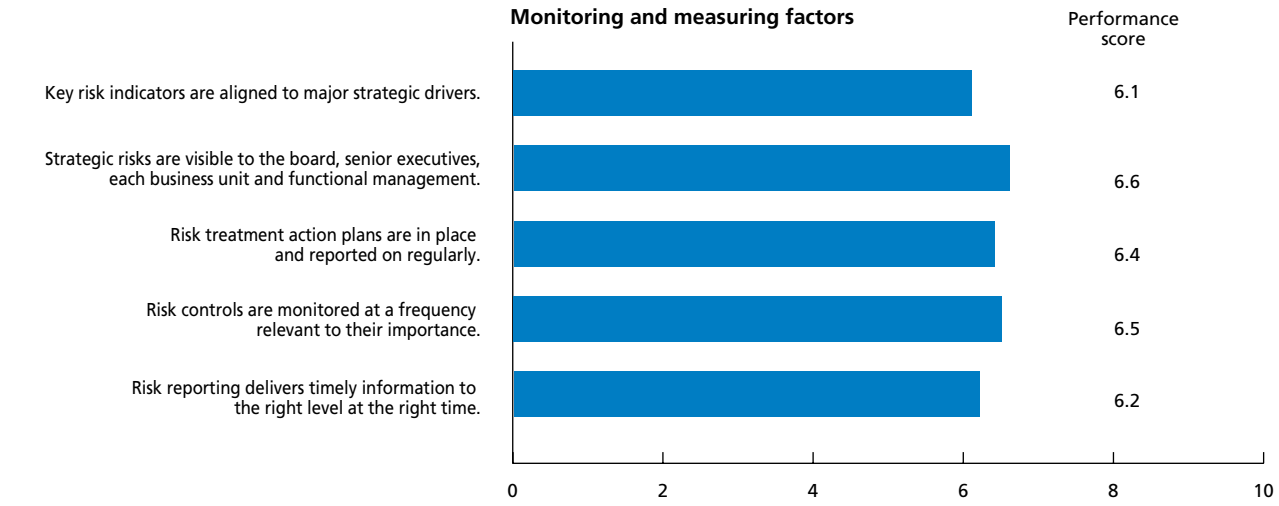
### a) Commitment indicators



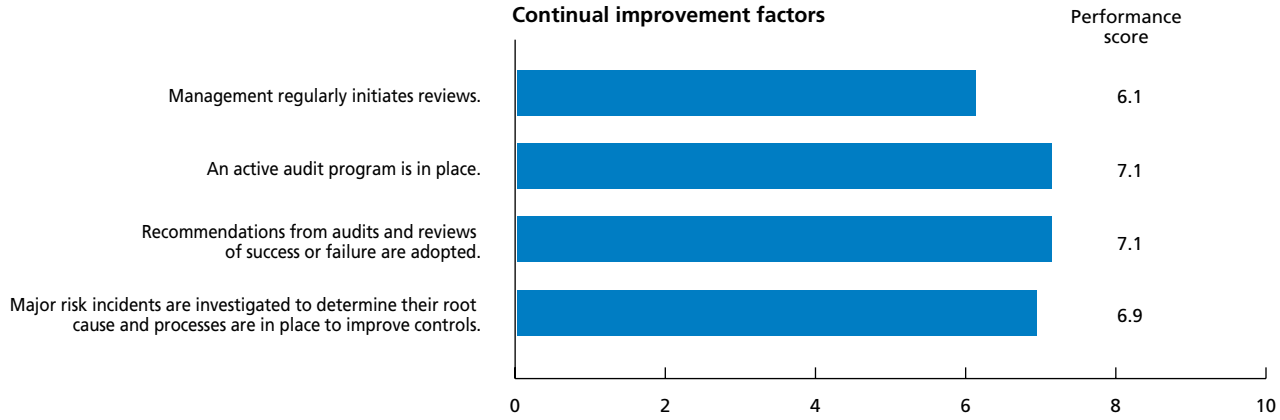

### b) Implementation indicators



### c) Monitoring and measuring indicators



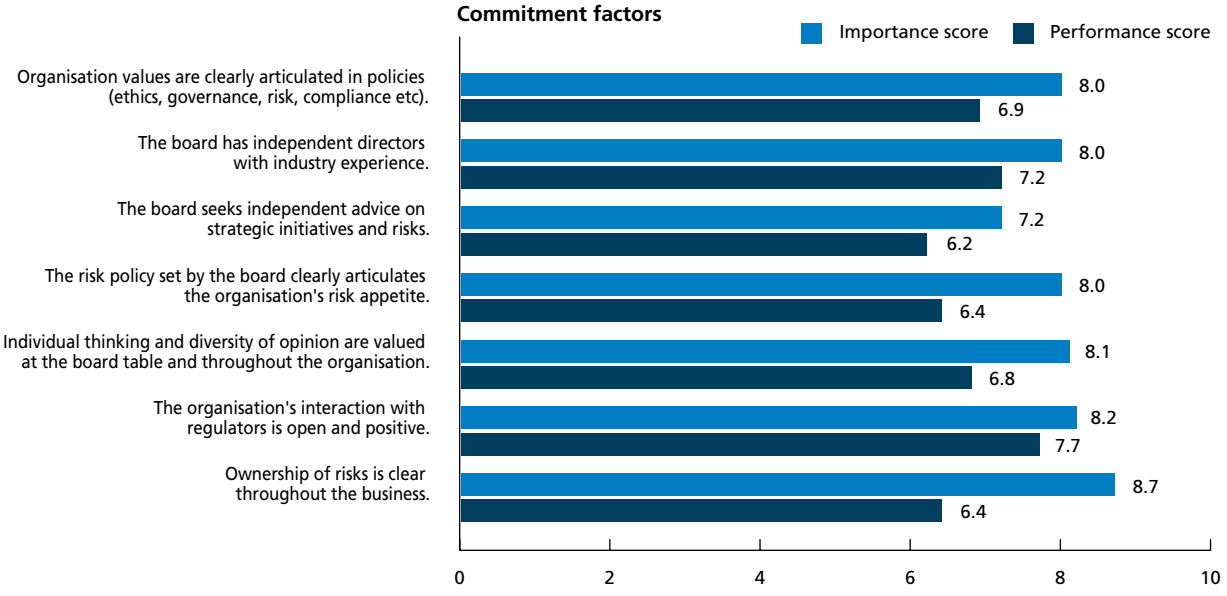

### d) Continual improvement indicators



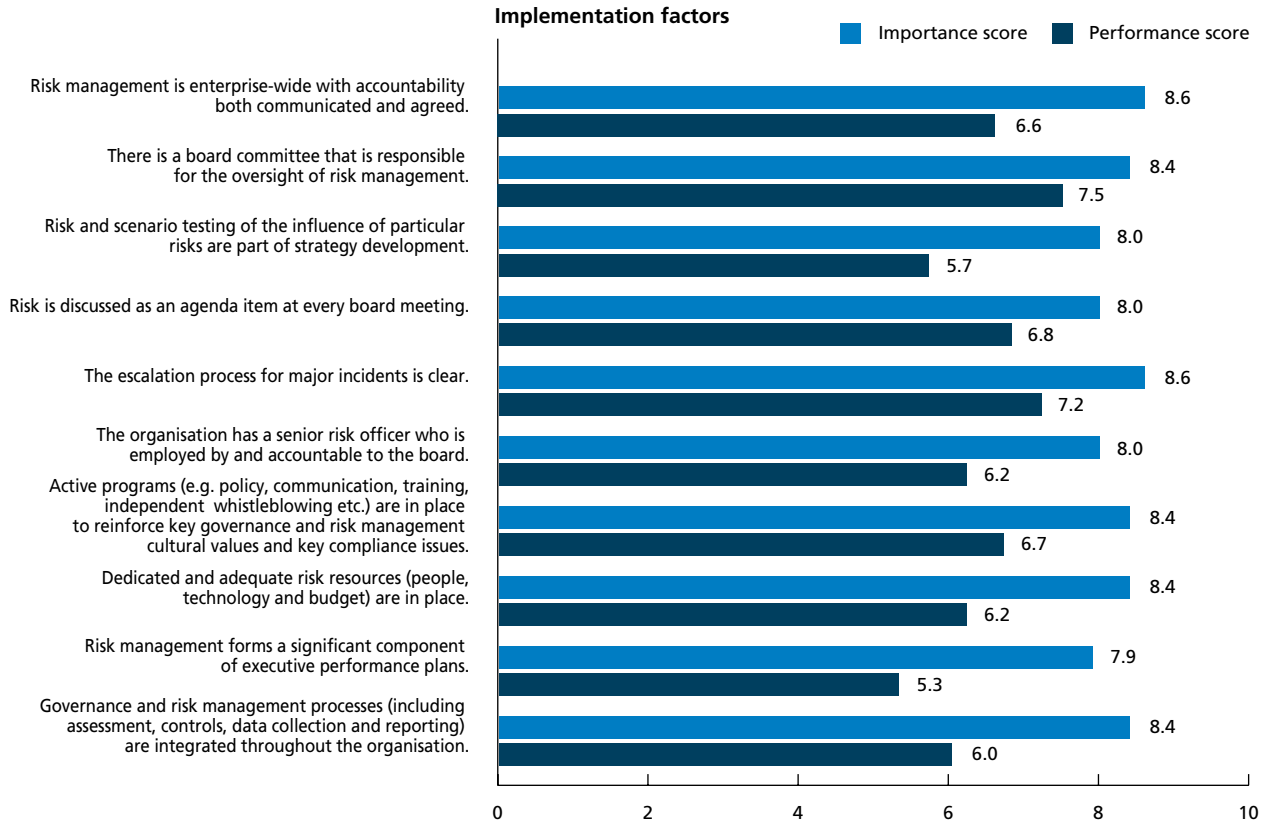

Of prime interest is that the results reveal a gap between those areas that organisations consider important as indicating a maturity of governance and risk management frameworks and the current performance of organisations against those indicators. It is the implementation stage that is rated by those responsible for governance and risk management as currently lagging in performance terms, despite it being the stage considered the most important at present. This information provides organisations with food for thought on where boards of directors and management might wish to focus their attention. The results can inform decisions about the steps that need to be undertaken to improve risk management within an organisation.

*Figure 12: Performance against the indicators considered important*

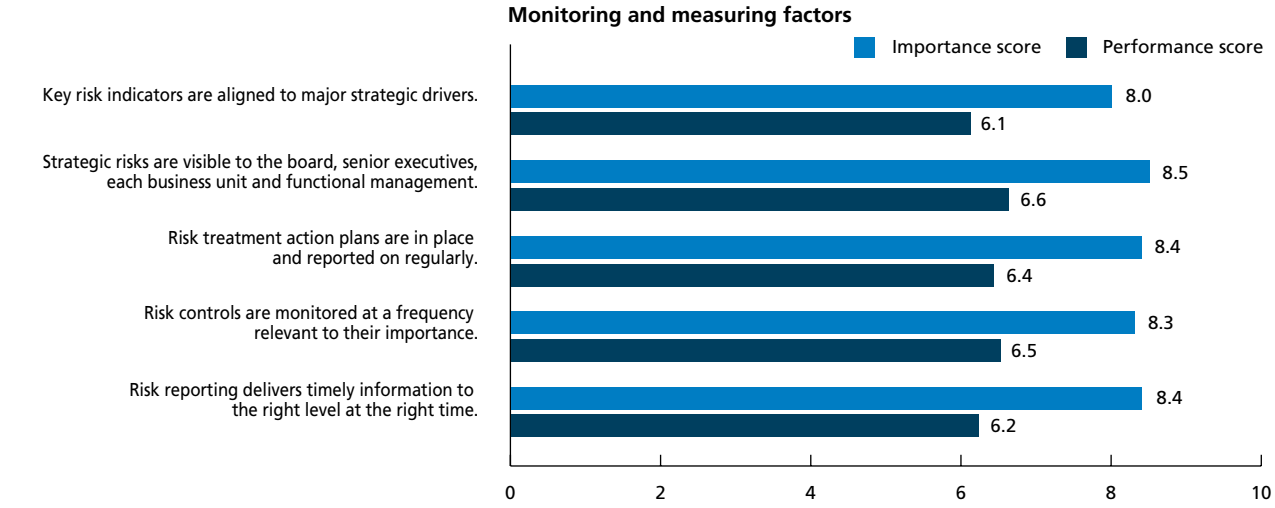
### a) Commitment indicators



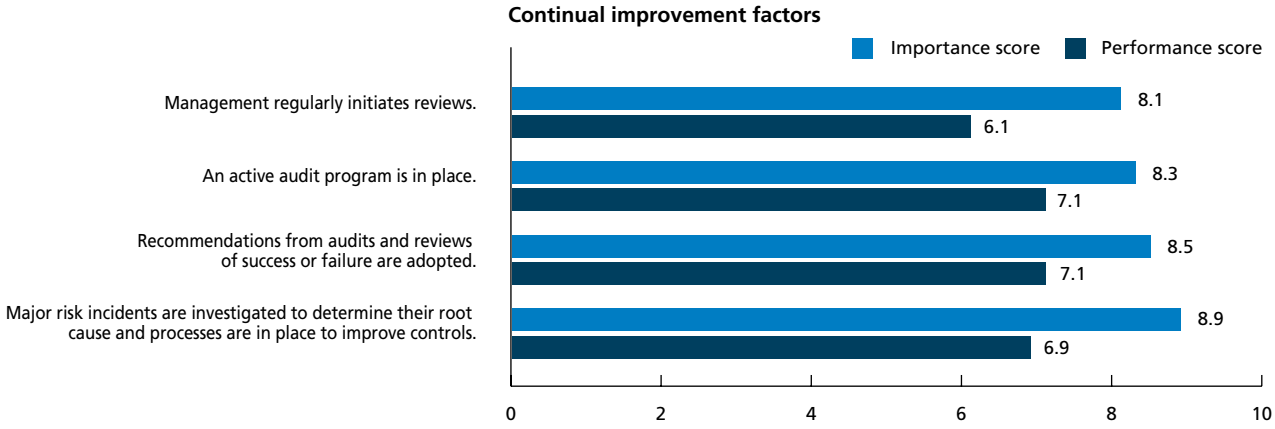

### b) Implementation indicators



### c) Monitoring and measuring indicators




### d) Continual improvement indicators

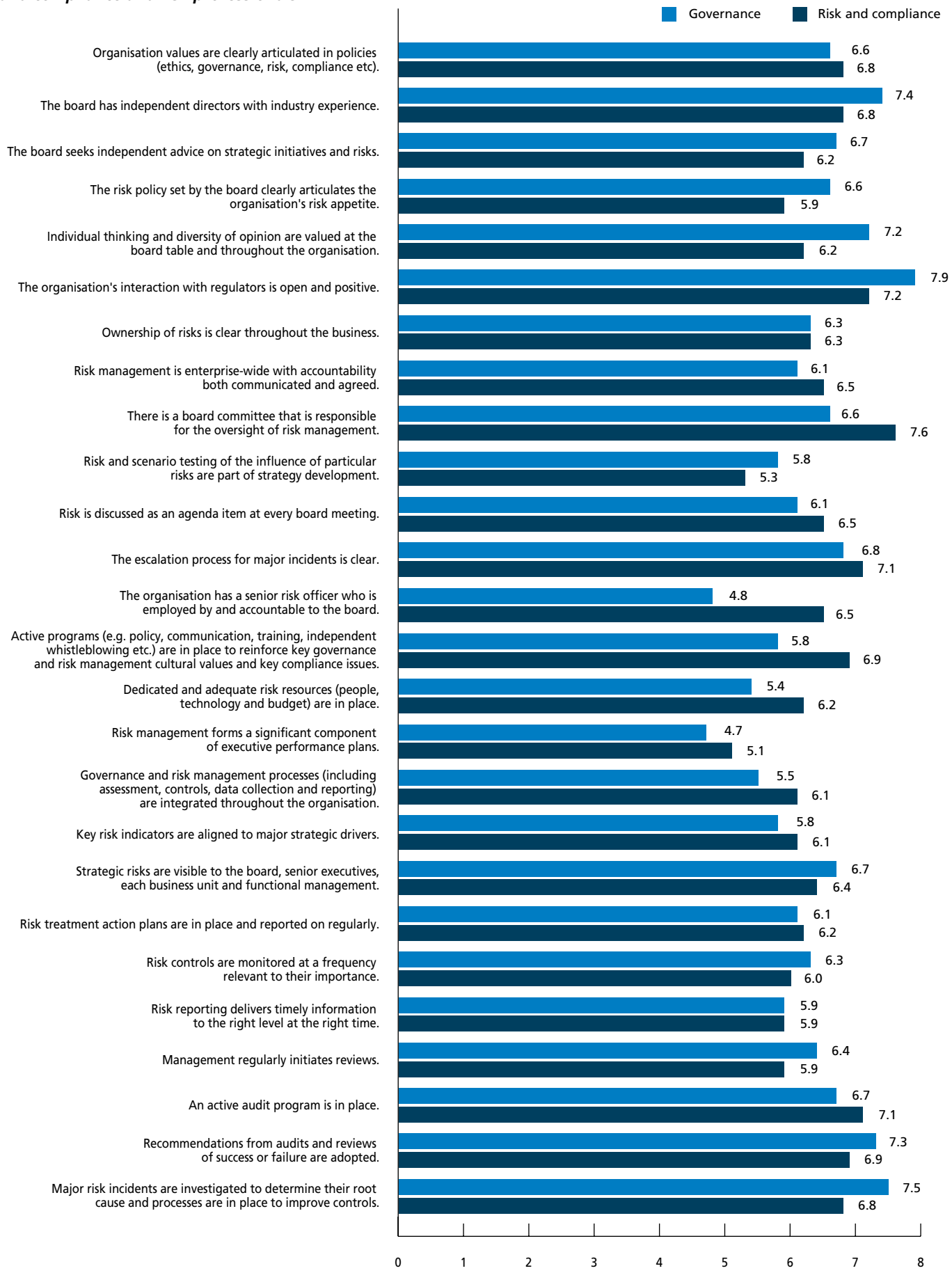



## Do governance and risk management professionals differ on ratings of performance against the indicators considered important?

There is considerable discrepancy between the indicators that are considered important by those in governance and risk management, and the areas in which they rate their organisations as performing well. This discrepancy seems to support the earlier picture suggesting that those responsible for governance are concerned with the impact on reputation and those responsible for risk management frameworks are more concerned with cascading ownership throughout the organisation.

Figure 13 shows the significant variance in the scoring by governance professionals compared to risk and compliance professionals.

***Figure 13: Variance in importance vs performance as rated by governance professionals and compliance and risk professionals***



The highest gaps in performance as rated by the governance professionals and risk and compliance professionals were:

- The organisation has a senior risk officer who is employed by and accountable to the board (gap of 1.7).
- Active programs are in place to reinforce key governance and risk management cultural values and compliance issues (1.2).
- Individual thinking and diversity of opinion are valued at the board table and throughout the organisation (1.0).
- There is a board committee that is responsible for the oversight of risk management (1.0).
- Dedicated and adequate risk resources (people, technology and budget) are in place (0.8).

## Senior risk officer

There are two aspects to the ratings that need to be examined. The first variance in responses relates to the existence or otherwise of a senior risk officer, and can be explained by the weighting to large listed entities as represented by risk and compliance professionals, with governance professionals representing a wider range of company size. The risk and compliance professionals clearly represent organisations that have understood the benefits of dedicated resources — hence their higher rating of their organisation's performance against this indicator. Smaller listed entities do not and cannot necessarily easily dedicate risk resources, which explains why governance professionals who responded to the survey rate their organisation's performance more harshly on this indicator.

The second variance relates to whether the senior risk officer is employed by and accountable to the board. Interestingly, the ASX Corporate Governance Council already recognises the importance of accountability to the board of the governance professional, with Principle 2 clarifying that the appointment and removal of the company secretary should be a matter for decision by the board as a whole, with the company secretary accountable to the board on all governance matters. The disparity in scoring on performance by governance and risk professionals on the accountability to the board of the senior risk officer tends to further support that a full integration of governance and risk management has not yet occurred in Australian listed entities.

## Individual thinking and diversity of opinion

Risk and compliance professionals rate their organisation's performance on the issue of the individual thinking and diversity of opinion being valued at the board table and throughout the organisation less positively than do governance professionals. This could be due to the fact that governance professionals are always present in the boardroom, giving them a unique perspective on board discussion and the independence of mind that is required for questioning and challenging intelligently and constructively. Their positive rating of their organisation's performance on this indicator speaks to their access to robust board discussions.

The fact that this indicator also rates diversity could be influencing the responses, as it has become clear that the boards of ASX listed companies suffer from a lack of diversity, in particular gender diversity. The revisions to the ASX Corporate Governance Council's guidelines to incorporate recommendations on gender diversity could well see this indicator addressed in the near future, as the new reporting requirements have already focused board attention on the topic.

It could also be that risk and compliance professionals feel that opinion on how to assess and treat risk is not as diverse as it could be throughout the organisation. This suggests that, with organisations involved in the implementation phase of cascading risk management through all areas of the business, developing more sophisticated approaches to risk management at every level is a work in progress

## There is a board committee that is responsible for the oversight of risk management

Risk and compliance professionals rated their organisation's performance more highly than did governance professionals on the dedicated board committee. The variance in ratings can be explained by there being no consensus as to whether it is preferable to have a stand-alone risk committee, a combined risk and audit committee or no dedicated committee on the basis that risk management is the responsibility of every board committee.

It has been argued that combining audit and risk on the one committee can lead to a backward-looking focus, given that the audit focus is on the oversight of and reporting to the board on the financial accounts and adoption of appropriate accounting policies, internal control, compliance and other matters. The argument for a separate risk committee points to the need for the risk focus to be forward-looking, with a consideration of opportunities and uncertainties with respect to those opportunities.

However, there is no one model that is suitable for all organisations. For some organisations, combining the audit and risk oversight may bring clarity, particularly where the major risks are financial ones. For other organisations, separating the focus could bring greater benefit, with the audit committee concentrating on the financial risks and the risk committee concentrating on other material business risks.

Moreover, it can be argued that one aspect of maturity is when an organisation no longer needs a separate risk committee, as risk management is embedded in all aspects of business management. The results tend to suggest that a number of listed companies take the view that risk management is the responsibility of every board committee.

The higher rating on performance by risk and compliance professionals suggests that where there are dedicated risk resources, dedicated committees are also the predominant model.

## Implementation issues

The remaining two indicators — the presence of active programs to reinforce key governance and risk management cultural values and compliance issues; and the adequacy and dedications of risk resources — speak directly to implementation issues. Here risk and compliance professionals rated the performance of their organisations more positively than did governance professionals. This is not surprising, given the respondents already represent organisations that have put in place dedicated risk resources, whose responsibility is to develop programs to assist business units to implement good risk management frameworks. However, the lower scores ascribed to performance on these issues by governance professionals again lends support to the contention that Australian listed entities have yet to fully integrate governance and risk management, as it suggests that governance frameworks are developed and maintained separately from risk management frameworks.

## Other areas where there was a variance of scoring of performance between governance and risk professionals

There was also some variance in how governance and risk professionals rated the performance of their organisations on the following indicators:

- Risk incidents are investigated to improve controls — governance professionals rated their organisations more positively, suggesting their closeness to accountability structures all the way up to the board.
- Recommendations from audits and reviews of success or failure are adopted — governance professionals rated their organisations more positively on this indicator, which also tends to support their unique perspectives on reporting to the board and the decisions that arise from such reporting.
- An active audit program is in place — risk and compliance professionals rated the performance of their organisations more positively, confirming that the compliance side of risk management is mature.
- Management regularly initiates reviews — governance professionals rated the performance of their organisations more positively, suggesting that those working with the board and executive management have a clearer line of sight into action (remedial or otherwise) taken to ensure frameworks are operating well.
- Governance and risk management processes (including assessment, controls, data collection and reporting) are integrated throughout the organisation — risk and compliance professionals rated the performance of their organisations more positively, further supporting the view that those responsible for risk management frameworks are concerned with cascading ownership throughout the organisation.
- The organisation's interaction with regulators is open and positive — governance professionals rated the performance of their organisations more positively, further supporting the view that suggesting that those responsible for governance are concerned with the impact on reputation.

*Table 1: Ratings by respondents of performance against key indicators*

| Indicator | Overall performance scores |
|---|---|
| **Commitment factor** | |
| Ownership of risks is clear throughout the business. | 6.4 |
| **Implementation factors** | |
| Risk management is enterprise-wide with accountability both communicated and agreed. | 6.6 |
| The escalation process for major incidents is clear. | 7.2 |
| There is a board committee that is responsible for the oversight of risk management. | 7.5 |
| Active programs are in place to reinforce key governance and risk management culture values and key compliance issues. | 6.7 |
| Dedicated and adequate risk resources are in place. | 6.2 |
| Governance and risk management processes are integrated throughout the organisation. | 6.0 |
| **Monitoring and measuring factors** | |
| Strategic risks are visible to the board, senior executives, each business unit and functional management. | 6.6 |
| Risk treatment action plans are in place and reported on regularly. | 6.4 |
| Risk reporting delivers timely information to the right level at the right time. | 6.2 |
| **Continual improvement factors** | |
| Major risk incidents are investigated to determine their root cause and processes are in place to improve controls. | 6.9 |
| Recommendations from audits and reviews of success or failure are adopted. | 7.1 |

Overall, the divergence of opinion between governance professionals and risk and compliance professionals on how their organisations are performing against key indicators reflects the earlier variance of views. Risk and compliance professionals are more satisfied on the implementation indicators than governance professionals, most likely as a result of their attention being focused on this phase. However, they are generally less satisfied on the monitoring and measuring and continual improvement indicators than governance professionals. This could suggest that they are not always in the boardroom and so are not cognisant of the full range of reporting available to boards. It is also possible that they believe that more fulsome reporting is required, where governance professionals have to manage the tension of supplying information to the board that informs yet does not overload.

The variance in views also appears to indicate that governance professionals are more optimistic about the evolution of risk management frameworks, having witnessed the development in sophistication of governance frameworks over many years. The ongoing improvement of governance frameworks in Australian listed companies provides a model for governance professionals for the ongoing development and integration of risk management frameworks over the coming years.

***Table 2: Variance in ratings by governance professionals and compliance and risk professionals of performance against key indicators***

| Indicator | Governance professionals | Risk and compliance professionals |
|---|---|---|
| **Commitment factor** | | |
| Ownership of risks is clear throughout the business. | 6.3 | 6.3 |
| **Implementation factors** | | |
| Risk management is enterprise-wide with accountability both communicated and agreed. | 6.3 | 6.3 |
| The escalation process for major incidents is clear. | 6.8 | 7.1 |
| There is a board committee that is responsible for the oversight of risk management. | 6.6 | 7.6 |
| Active programs are in place to reinforce key governance and risk management culture values and key compliance issues. | 5.8 | 6.9 |
| Dedicated and adequate risk resources are in place. | 5.4 | 6.2 |
| Governance and risk management processes are integrated throughout the organisation. | 5.5 | 6.1 |
| **Monitoring and measuring factors** | | |
| Strategic risks are visible to the board, senior executives, each business unit and functional management. | 6.7 | 6.4 |
| Risk treatment action plans are in place and reported on regularly. | 6.1 | 6.2 |
| Risk reporting delivers timely information to the right level at the right time. | 5.9 | 5.9 |
| **Continual improvement factors** | | |
| Major risk incidents are investigated to determine their root cause and processes are in place to improve controls. | 7.5 | 6.8 |
| Recommendations from audits and reviews of success or failure are adopted. | 7.3 | 6.9 |

# Appendix A

## Detailed responses to survey

### Commitment to governance and risk management principles

Respondents were asked to rank the importance of, and their organisation's performance against, the following seven indicators relating to commitment to governance and risk management principles:

- Organisation values are clearly articulated in policies (ethics, governance, risk, compliance, etc.).
- The board has independent directors with industry experience.
- The board seeks independent advice on strategic initiatives and risks.
- The risk policy set by the board clearly articulates the organisation's risk appetite.
- Individual thinking and diversity of opinion are valued at the board table and throughout the organisation.
- The organisation's interaction with regulators is open and positive.
- Ownership of risks is clear throughout the business.

In terms of importance, respondents ranked the indicators as shown in the table below.

***Table 3: Importance of commitment indicators***

| Indicator | Weighted score |
|---|---|
| The risk policy set by the board clearly articulates the organisation's risk appetite. | 9.69 |
| Ownership of risks is clear throughout the business. | 9.16 |
| The organisation's interaction with regulators is open and positive. | 9.12 |
| Individual thinking and diversity of opinion are valued at the board table and throughout the organisation. | 8.75 |
| Organisation values are clearly articulated in policies (ethics, governance, risk, compliance, etc.). | 8.36 |
| The board has independent directors with industry experience. | 7.66 |
| The board seeks independent advice on strategic initiatives and risks. | 7.62 |

Weighted performance scores, shown in the table below, indicate that there is a mismatch between the importance of an indicator and the organisation's performance against that indicator, particularly in the higher importance indicators.

***Table 4: Performance against commitment indicators***

| Indicator | Weighted score |
|---|---|
| The risk policy set by the board clearly articulates the organisation's risk appetite. | 6.35 |
| Ownership of risks is clear throughout the business. | 6.44 |
| The organisation's interaction with regulators is open and positive. | 7.69 |
| Individual thinking and diversity of opinion are valued at the board table and throughout the organisation. | 6.81 |
| Organisation values are clearly articulated in policies (ethics, governance, risk, compliance, etc.). | 6.9 |
| The board has independent directors with industry experience. | 7.2 |
| The board seeks independent advice on strategic initiatives and risks. | 6.23 |

The highest weighted performance score relates to the relationship with regulators. This reflects the high scoring on this indicator supplied by governance professionals who are very focused on good relationships with regulators, as this is essential to ensuring that there is no reputation risk either to the organisation or the board.

Interestingly, the second lowest weighted performance score is for the indicator concerning the articulation of the risk appetite in the risk policy, which was considered the most important indicator of the maturity of commitment. This indicates that organisations either have a lack of clarity as to their risk appetitie or in the articulation of the risk appetite, which will make cascading the ownership of risks throughout the organisation (implementation) more difficult. Boards could look to how they manage the process of deciding the risk appetite and then communicating it as an area requiring attention.

Respondents provided an additional 91 indicators that they believe were valued highly. However, an analysis of these additional indicators showed that they were predominantly subsets of the seven indicators listed above or covered in indicators relating to implementation, monitoring and reviewing, or continual improvement.

## Implementation of governance and risk management principles

Respondents were asked to rank the importance of, and their organisation's performance against, the following ten indicators relating to the implementation of governance and risk management principles:

- Risk management is enterprise-wide with accountability both communicated and agreed.
- There is a board committee that is responsible for the oversight of risk management.
- Risk and scenario testing of the influence of particular risks are part of strategy development.
- Risk is discussed as an agenda item at every board meeting.
- The escalation process for major incidents is clear.
- The organisation has a senior risk officer who is employed by and accountable to the board.
- Active programs (for example, policy, communication, training, independent whistleblowing, etc.) are in place to reinforce key governance and risk management cultural values and key compliance issues.
- Dedicated and adequate risk management resources (people, technology and budget) are in place.
- Risk management forms a significant component of executive performance plans.
- Governance and risk management processes (including assessment, controls, data collection and reporting) are integrated throughout the organisation.

In terms of importance, respondents ranked the indicators as shown in the table on page 29.

*Table 5: Importance of implementation indicators*

| Indicator | Weighted score |
|---|---|
| Risk management is enterprise-wide with accountability both communicated and agreed. | 8.58 |
| The escalation process for major incidents is clear. | 8.55 |
| Dedicated and adequate risk management resources (people, technology and budget) are in place. | 8.42 |
| There is a board committee that is responsible for the oversight of risk management. | 8.4 |
| Governance and risk management processes (including assessment, controls, data collection and reporting) are integrated throughout the organisation. | 8.37 |
| Active programs (for example, policy, communication, training, independent whistle blowing, etc.) are in place to reinforce key governance and risk management cultural values and key compliance issues. | 8.37 |
| Risk is discussed as an agenda item at every board meeting. | 8.03 |
| Risk and scenario testing of the influence of particular risks are part of strategy development. | 8.02 |
| The organisation has a senior risk officer who is employed by and accountable to the board. | 7.99 |
| Risk management forms a significant component of executive performance plans. | 7.88 |

Unlike the weighted scores for the commitment-based indicators, there was little variation in the importance score for implementation. Respondents provided an additional 24 indicators which were predominantly subsets of the above 10 indicators, with one respondent suggesting that adequate risk assurance mechanisms be added as an implementation indicator.

Weighted performance scores are shown in the table below, ranked in order of importance rating. It is interesting to note that most organisations scored themselves highly when it came to board responsibility for risk oversight — the initial phase of risk management being embedded in the governance framework for the board — but scored themselves much less positively on embedding appropriate resources and programs across the organisation. This strongly indicates that Australia listed entities are in the implementation phase of the maturity of risk management, with clarity evolving as to the resources required and the means by which ownership of risk management is cascaded through the organisation.

This is supported by the responses that organisations do not utilise risk management methodologies in their strategy formulation. Additionally, while risk management is a key component of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, there is little linkage between risk management and executive remuneration. These are more sophisticated forms of implementation of risk management frameworks. Again, the results provide boards and senior management with a view as to areas they may wish to address in their frameworks.

***Table 6: Performance against implementation indicators***

| Indicator | Weighted score |
|---|---|
| Risk management is enterprise-wide with accountability both communicated and agreed. | 6.58 |
| The escalation process for major incidents is clear. | 7.21 |
| Dedicated and adequate risk management resources (people, technology and budget) are in place. | 6.16 |
| There is a board committee that is responsible for the oversight of risk management. | 7.47 |
| Governance and risk management processes (including assessment, controls, data collection and reporting) are integrated throughout the organisation. | 6.02 |
| Active program (for example, policy, communication, training, independent whistle blowing, etc.) are in place to reinforce key governance and risk management cultural values and key compliance issues. | 6.66 |
| Risk is discussed as an agenda item at every board meeting. | 6.76 |
| Risk and scenario testing of the influence of particular risks are part of strategy development. | 5.71 |
| The organisation has a senior risk officer who is employed by and accountable to the board. | 6.18 |
| Risk management forms a significant component of executive performance plans. | 5.32 |

## Monitoring and measuring governance and risk management principles

Respondents were asked to rank the importance of, and their organisation's performance against, the following five indicators relating to the monitoring and measurement of governance and risk management principles:

- Key risks are aligned to major strategic drivers.
- Strategic risks are visible to the board, senior executives, each business unit and functional management.
- Risk treatment action plans are in place and reported on regularly.
- Risk controls are monitored at a frequency relevant to their importance.
- Risk reporting delivers timely information to the right level at the right time.

In terms of importance, respondents ranked the indicators as shown in the table below.

***Table 7: Importance of monitoring and measuring indicators***

| Indicator | Weighted score |
|---|---|
| Strategic risks are visible to the board, senior executives, each business unit and functional management. | 8.47 |
| Risk reporting delivers timely information to the right level at the right time. | 8.41 |
| Risk treatment action plans are in place and reported on regularly. | 8.4 |
| Risk controls are monitored at a frequency relevant to their importance. | 8.28 |
| Key risks are aligned to major strategic drivers. | 7.96 |

Again, there was little variation in the importance score for monitoring and measuring. Respondents provided an additional 16 indicators which were predominantly subsets of the above indicators. The only significant addition to the above indicators was related to the development, monitoring and measurement of key risk indicators.

Weighted performance scores are shown in the table below. There is a correlation between the importance ranking and the level of performance. However, the level of performance is still reasonably low with 62 respondents rating performance between 4 and 7, and 17 respondents rating themselves 1 to 3. This indicates that Australian listed entities understand that tracking the processes of risk assessment and mitigation strategies and reporting on them are essential, but are of the view that improvement is required. Given that all monitoring and measuring leads to advice on options ultimately for decision by the board, the methodology of calibrating performance against risk appetite is another area to which senior management and boards could turn their attention.

*Table 8: Performance against monitoring and measuring indicators*

| Indicator | Weighted score |
|---|---|
| Strategic risks are visible to the board, senior executives, each business unit and functional management. | 6.59 |
| Risk reporting delivers timely information to the right level at the right time. | 6.2 |
| Risk treatment action plans are in place and reported on regularly. | 6.36 |
| Risk controls are monitored at a frequency relevant to their importance. | 6.46 |
| Key risks are aligned to major strategic drivers. | 6.09 |

## Continual improvement of governance and risk management principles

Respondents were asked to rank the importance of, and their organisation's performance against, the following four indicators relating to continual improvement of governance and risk management principles:

- Management regularly initiates reviews.
- An active audit programme is in place.
- Recommendations from audit reviews of success or failure are adopted.
- Major risk incidents are investigated to determine their root cause and processes are in place to improve controls.

In terms of importance, respondents ranked the indicators as shown in the table below.

*Table 9: Importance of continual improvement indicators*

| Indicator | Weighted score |
|---|---|
| Major risk incidents are investigated to determine their root cause and processes are in place to improve controls. | 8.89 |
| Recommendations from audit reviews of success or failure are adopted. | 8.54 |
| An active audit program is in place. | 8.29 |
| Management regularly initiates reviews. | 8.13 |

There was little variation in the importance score for continual improvement. Respondents provided an additional 11 indicators which were predominantly subsets of the above indicators. The only significant addition to the above indicators related to the development and use of control effectiveness indicators to demonstrate improvement.

Weighted performance scores are shown in the table below. Not surprisingly, most respondents stated that an active audit program was in place and that recommendations from audits were adopted. This intimates that the current stage of risk management frameworks tends to be weighted toward a compliance mindset, rather than the more sophisticated, forward-looking stage where risk is not only defined as hazards to be avoided, but also as opportunities to be realised and the uncertainties attached to those opportunities.

***Table 10: Performance against continual improvement indicators***

| Indicator | Weighted score |
|---|---|
| Major risk incidents are investigated to determine their root cause and processes are in place to improve controls. | 6.92 |
| Recommendations from audit reviews of success or failure are adopted. | 7.06 |
| An active audit program is in place. | 7.12 |
| Management regularly initiates reviews. | 6.14 |

**New South Wales & ACT**

Tel: (02) 9223 5744
Fax: (02) 9232 7174
Email: nsw@CSAust.com

**Victoria & Tasmania**

Tel: (03) 9620 2488
Fax: (03) 9620 2499
Email: vic@CSAust.com

**Queensland**

Tel: (07) 3229 6879
Fax: (07) 3229 8444
Email: qld@CSAust.com

**Western Australia**

Tel: (08) 9321 8777
Fax: (08) 9321 8555
Email: wa@CSAust.com

**South Australia & Northern Territory**

Tel: (08) 8132 0266
Fax: (08) 8132 0822
Email: sa@CSAust.com

CHARTERED SECRETARIES
AUSTRALIA

*Leaders in governance*

SAI GLOBAL

www.CSAust.com