

1. HAZARD, RISK AND COMPLIANCE MANAGEMENT

The CBH Enterprise Risk and Compliance framework encourages a risk and reward culture, whereby rewards from commercial activities are balanced against the risks inherent in achieving them, recognising and accommodating internal and external compliance obligations.

1.1. Purpose

To ensure systems and processes are developed, implemented and maintained to ensure Hazard, Risk and Compliance objectives are achieved.

1.2. Performance Requirements

We can meet performance requirements by ensuring:

1. Best practice risk management processes are applied to all key business and operational activities.
2. There is ongoing, proactive identification and reporting of opportunities, hazards and risks, these being managed appropriately in accordance with the nature and scale of the activity.
3. All levels of the organisation have accountability and responsibility for verifying that risks are identified and ensuring appropriate control measures are in place and remain effective.
4. Critical controls are regularly reviewed, confirmed as appropriate, are in place and effective.

1.3. Risk Management Process

The CBH Risk Management process is defined below (Figure 1):



Figure 1: CBH Risk Management Process

1.4. CBH Risk Categories

CBH has identified the following risk categories to enable the categorisation and standardisation of risk assessment activities (Table 1):

Table 1: CBH Risk Categories

Category	Description
Strategic	External risks such as changes in the organisations' business environment. Considered as part of the setting of organisational objectives.
Operational	Risks arising from the services delivered by the business or its activities.
Financial	Risks facing the organisation in terms of internal systems, planning, funding etc.
People	Risks associated with the employment of staff, contractors, volunteers etc.
Regulatory	The legislative environment within which the business operates.
Governance	Risks associated with stewardship and management of the organisation.

1.5. Hierarchy of Controls

CBH uses the industry-standard Hierarchy of Controls to assess operational risk and consider appropriate controls for each risk. In order of effectiveness these are as follows:

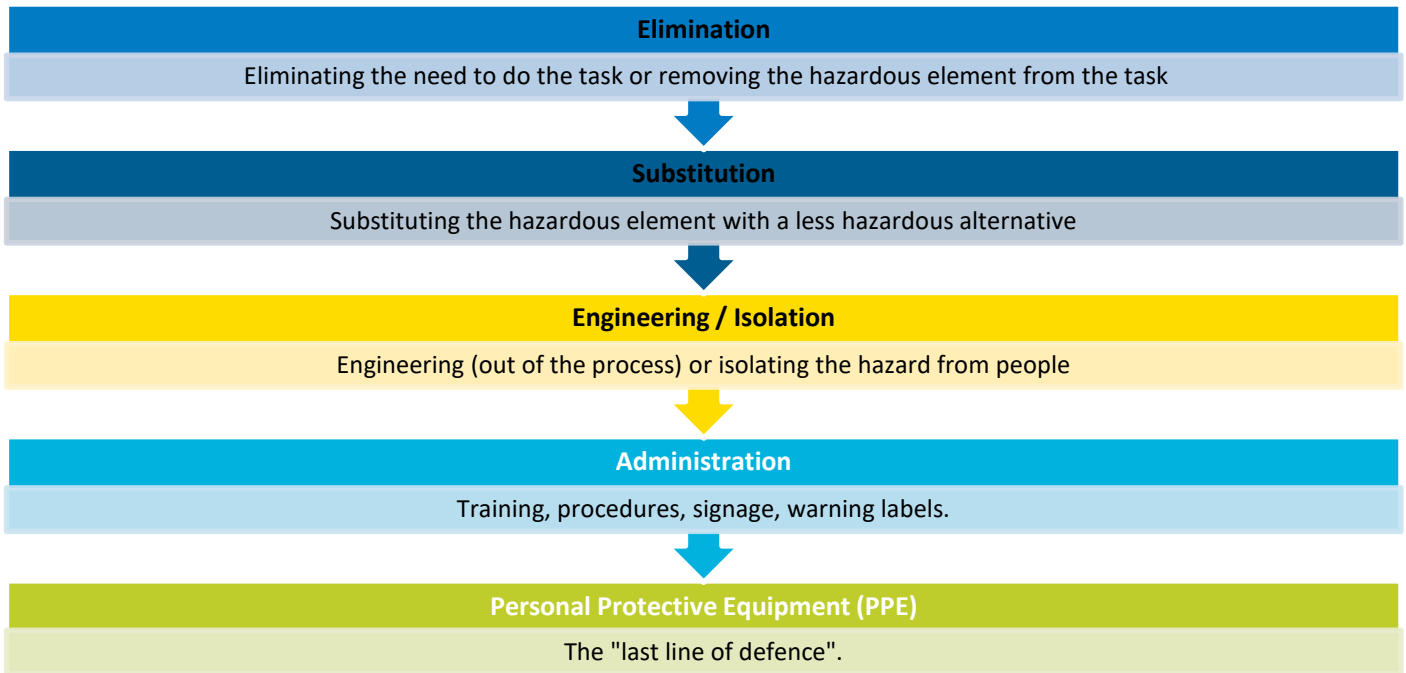


Figure 2: Hierarchy of Controls

1.6. Legal and Compliance

CBH will identify, communicate and monitor relevant legal and other requirements relating to the organisational risk profile, by:

1. Maintaining Legal and Compliance Registers
2. Assessing legal and other requirements and their impact on the business
3. Taking legal and other requirements into account when establishing, implementing, maintaining and continually improving the IMS, and
4. Communicating changes in legal and other requirements and their impact on business and operational planning and processes to Stakeholders.

Electronic resources used for tracking amendments to legislation and for the identification of new or pending legislation include, but are not limited to:

- LAWLEX
- State Law Publisher
- Australasian Legal Information Institute, and
- Parliament of Western Australia and Australia.

Reference Title	STORE ID
Risk and Compliance Policy	8257735