

Meeting Compliance Requirements

Disclaimer and Copyright

Disclaimer

This course has been validated and self accredited before release and all reasonable care and attention paid to ensuring its accuracy during development.

Whilst this course has been accredited by Governance Institute of Australia Ltd and all reasonable care has been taken in the development of course material, Governance Institute of Australia Ltd, the authors of any course material and presenters:

- do not purport to provide legal, accounting, financial or tax advice or express any opinion, on any specific matter or issue, and their contributions or statements should not be relied upon for this purpose, whether made known to them or not;
- do not warrant that the content of its course is fit for any individual purpose or expectation other than as a study in the stated field, whether made known to them or not;
- do not warrant or represent any benefit other than as expressly published on the Governance Institute of Australia Ltd's webpage (<http://www.governanceinstitute.com.au/education-training/short-coursescertificates/features-and-benefits-of-study/>)
- disclaim all responsibility and liability for any loss or injury arising from any decision or action taken based upon or prompted by the contents of course materials, howsoever caused; and
- reserve the right to correct any errors or omissions in their material, at any time and from time to time.

It is always important to seek independent legal or other professional advice in respect of one's own particular circumstances.

Copyright

Copyright strictly reserved. No part of these materials covered by copyright should be reproduced or copied in any form or by any means without the written permission of Governance Institute of Australia.

Meeting compliance requirements

Written and designed by:

- Chris O'Meara FGIA, Barrister-at-Law, Bennett Chambers

Revised by:

- Samantha Carroll, Partner, Ashurst

1.2 What is the aim of this course?

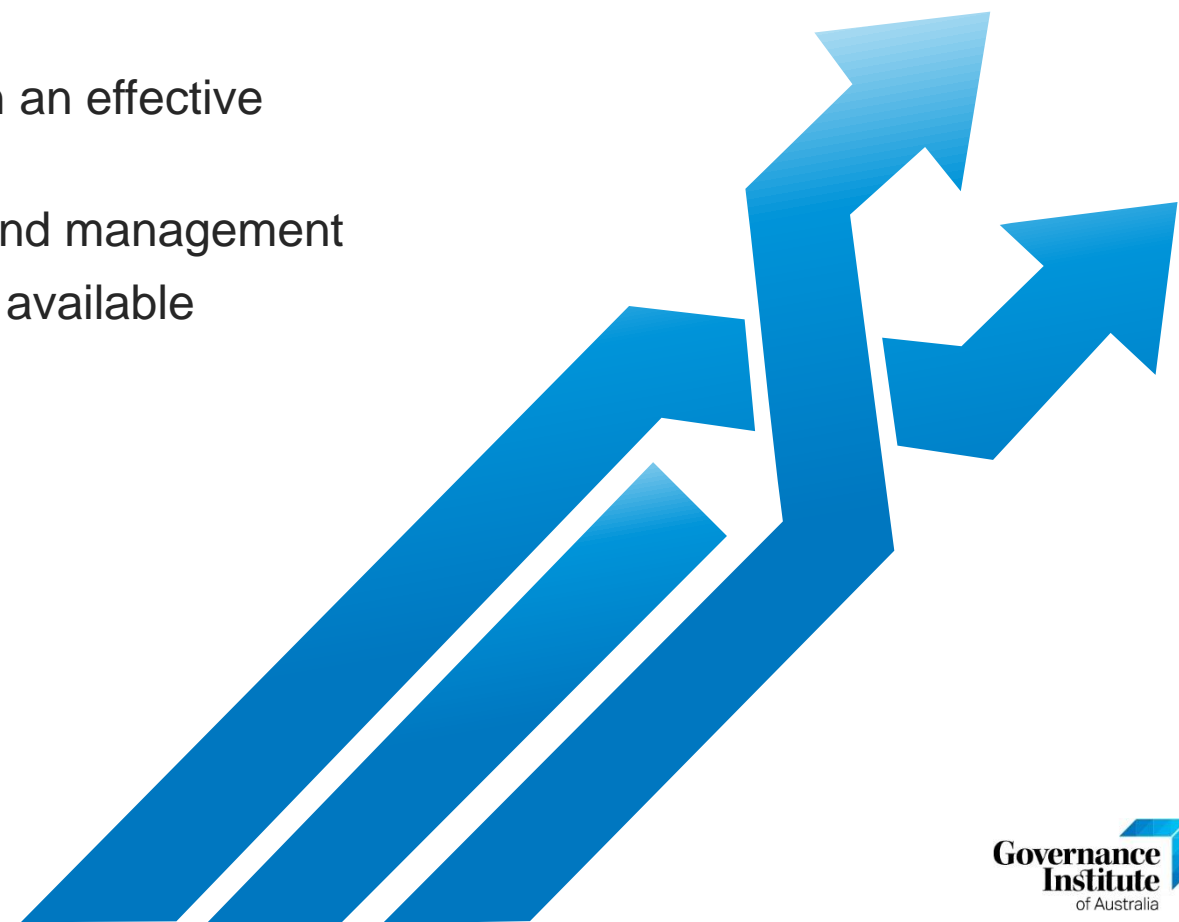
The aim of this course is to provide an overview of the principles and approaches that contribute to an effective compliance framework.



1.2 What are the objectives of this course?

The **objectives** of this course are to:

- outline the Australian legal and regulatory framework
- examine the key principles and elements that underpin an effective compliance framework
- highlight the compliance responsibilities of the board and management
- discuss compliance approaches, tools and techniques available
- provide helpful tips and useful resources.



1.3 Compliance and the governance framework

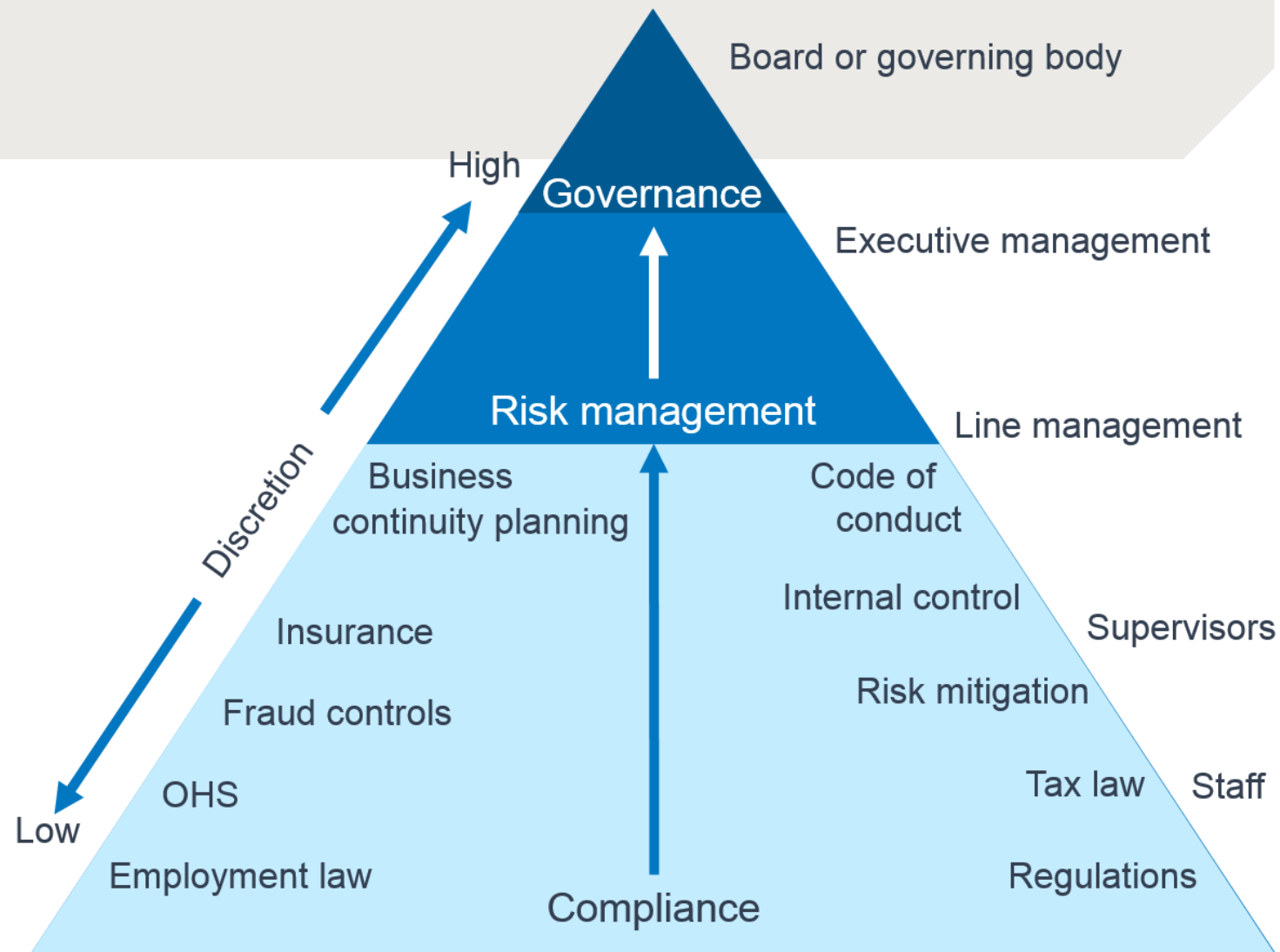
Figure 1: The overall governance framework

Figure 1 illustrates the various types of component governance frameworks that exist within the organisation's overall governance framework



1.3 Compliance and the governance framework (cont...)

Figure 2: The Triumvirate — governance, risk and compliance



2. Regulatory compliance

2 Regulatory compliance



Discussion

What are some words and phrases that describe your perception of 'regulatory compliance'?

Internal compliance

Develop managerial and risk controls, including:

- Operational plans
- Policies and procedures
- Codes of conduct
- Organisational accountabilities.

External compliance

Strategic focus on:

- Regulatory accountability
- Stakeholder value
- Customer rights
- Contractual counterparties
- Mandatory industry standards
- Wider legal obligations.

Commitment, consistency in diligence to good governance

- Unwillingness to compromise compliance requirements
- Don't tolerate unethical behaviour
- Don't accept mediocrity
- Respect for law
- Sound ethical conduct
- Pursuit of excellence.

2 Regulatory compliance



Discussion

- *What sector are you working in?*
- *Which regulators regulate your organisation's activities?*
- *Who are your customers and stakeholders?*
- *What are some of the obligations you have towards these entities?*

2.1 Australian Securities and Investments Commission (ASIC)



Discussion

Where to draw the line between governance and management?

- Formal requirements for compliance frameworks originated in the financial services industry.
- ASIC originally required financial service organisations to develop compliance plans.
- Extended concept of formal compliance arrangements as part of the *Financial Services Reform Act 2001* (Cth).
- Published numerous comprehensive regulatory guides and information sheets in relation to all aspects of compliance.
- ASIC is also responsible for market surveillance and supervision of real-time trading on ASX.



Participant notes, p 13, refer to table, Key ASIC Regulatory Guides

2.2 Australian Competition and Consumer Competition (ACCC)

2.3 Australian Securities Exchange (ASX) – ASX Listing Rules

Australian Competition and Consumer Commission

- Regulator with primary responsibility for enforcing compliance with competition and fair trading laws
- Authority from the *Competition and Consumer Act 2010* (Cth) (CCA)
- Templates for implementation of compliance programs
- Downloaded from the ACCC website at www.accc.gov.au.

Australian Securities Exchange (ASX) – ASX Listing Rules

- A market operator, clearing house and settlement system facilitator
- Compliance requirements – reporting, Listing Rules prescribe information to be included in reports
- Comprehensive information is available on ASX website at <https://www2.asx.com.au/>.

2.4 Australian Prudential Regulation Authority (APRA)

2.5 Office of the Australian Information Commissioner

Australian Prudential Regulation Authority (APRA)

- Establishes and enforces prudential standards (APS) and practices for deposit-taking institutions, insurance companies and large superannuation funds
- Basel III capital reforms
- Banking Executive Accountability Regime (BEAR) established expectations of accountability for authorised deposit-taking institutions and their directors and senior executives
- Compliance risk has traditionally "been the poor cousin" of longer-established risk.

Office of the Australian Information Commissioner (OAIC)

- Regulatory responsibilities and powers under the Privacy Act, the Freedom of Information Act 1982 (Cth)
- Privacy Act 1988 (Cth)
- Amendments – Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Cth), Privacy Regulations 2013
- 13 Australian Privacy Principle
- Notifiable Data Breaches Scheme - The NDB scheme requires organisations to notify individuals whose personal information is involved in a data breach likely to result in serious harm.

2.6 Australian Transaction Reports and Analysis Centre (AUSTRAC)



The role of AUSTRAC is to protect the integrity of Australia's financial system and assist with the administration of justice by countering money laundering and the financing of terrorism.

- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).*
- Requires reporting entities to identify, mitigate and manage the risk of their products or services facilitating money laundering or terrorism financing.
- Substantial civil penalties being imposed on reporting entities over the last 7 years including a record penalty against Westpac Banking Corporation in 2020 of \$1.3 billion.

2.7 Fair Work Commission (FWC)



Fair Work Act 2009 (Cth) (Fair Work Act) is the primary piece of employment legislation setting minimum provisions for employees of corporations including, in some cases, professional and managerial employees.

- Fair Work Commission established under the Fair Work Act.
- A federal, it sets awards and enterprise agreements.
- Fair Work Ombudsman (FWO) – enforces compliance with that Act, related legislation, awards and enterprise agreements.
- Responsibilities include: education, promote compliance with workplace laws, investigate breaches of the Fair Work Act, take appropriate enforcement action.

2.8 Work Health and Safety (WHS) regulators

2.9 COVID-19 public health orders



In 2011, Safe Work Australia created 'model' laws including:

- The model WHS Act
- The model WHS Regulations
- Model Codes of Practice



Participant notes, p 14, Table 2: Federal, state and territory WHS regulators



October 2020 Safe Work Australia released the *National guide for safe workplaces – COVID-19* (the Guide).

- To assist persons conducting a business or undertaking (e.g. employers) meet their work health and safety (WHS) duties in relation to COVID-19.
- Be aware of directions that apply to your organisation, through SWA website – COVID-19 public health orders.

3. Standards and guidelines

3.1 ASX Corporate Governance Council

ISO 37301:2021 Compliance management systems

ISO 37301 is centred on building a positive compliance culture with embedded compliance activities and regular training and communication at all levels of an organisation. ISO 37301 covers, among other things:

- ✓ Determining the scope of the CMS
- ✓ Compliance obligations
- ✓ Compliance risk assessment
- ✓ Compliance culture
- ✓ Compliance Governance
- ✓ Compliance Policy
- ✓ Establishing controls and procedures
- ✓ Competencies
- ✓ Continual improvement
- ✓ Documents information
- ✓ Nonconformity & corrective action
- ✓ Roles, Responsibilities & authorities

Scheme Application Framework: compliance plan

The Councils expect your compliance plan to meet Australian Standard AS ISO 37301:2021 Compliance management systems.

Your compliance plan can be a standalone document or included with your other legal, regulatory or industry obligations. A template helps you to develop your scheme compliance plan. It includes the topics that a scheme compliance plan should include as best practice:

- About the association
- The association's leadership and organisation
- Governance principles and risk management
- Association's scheme compliance obligations
- Scheme participants' compliance obligations
- Compliance management processes
- Compliance risk identification, analysis and evaluation
- Support
- Operation and compliance controls
- Performance evaluation
- Improvement.

Professional standards legislation requirements

Scheme compliance

- Occupational association status
- Councils' scheme approval requirements
- Association professional risk management strategies
- Further information requested by the Councils
- Annual Professional Standards Report (APSR) to the Councils
- Fee payments
- Changes - e.g. constitutional, complaints, disciplinary, claims in excess of cap

Member compliance

- Association membership requirements
- Continuing professional development (CPD) requirements
- Association insurance standards
- Sufficiency of business assets
- Disclosure requirements

Professional standards legislation requirements

Councils supervision of compliance

- Review, amend, revoke scheme
- Notification of limitation of liability offence, 50 penalty units and association referral of offence information
- Information must be provided on request re risk management strategies
- Annual report and assurance report must be provided
- Occupational Associations (Complaints and Discipline) Code
- Furnish information to enable Councils to exercise functions for approval, amendment or revocation, 5 penalty units

4. Governance responsibilities — compliance



4.1 Risk appetite

- A common contributor to serious compliance failures is where non-financial risk is not a priority resulting in mismanagement of the risks and noncompliance.
- The ASIC Corporate Governance Taskforce report on 'Director and officer oversight of non-financial risk' highlighted that many boards are grappling with management of non-financial risk (ASIC report).
- A key tool – effective and comprehensive risk appetite statement

“ *Boards are often cited as having two fundamental functions – to set an organisations strategy and its risk appetite.* ”

— ASIC

Risk appetite statements - metrics for non-financial risk to enable more effective reporting on compliance, including the compliance management system (i.e. policies, frameworks and procedures) and practices (i.e. incidents/near misses, breaches, compliance monitoring/audit results).

4.2 Conformance versus performance

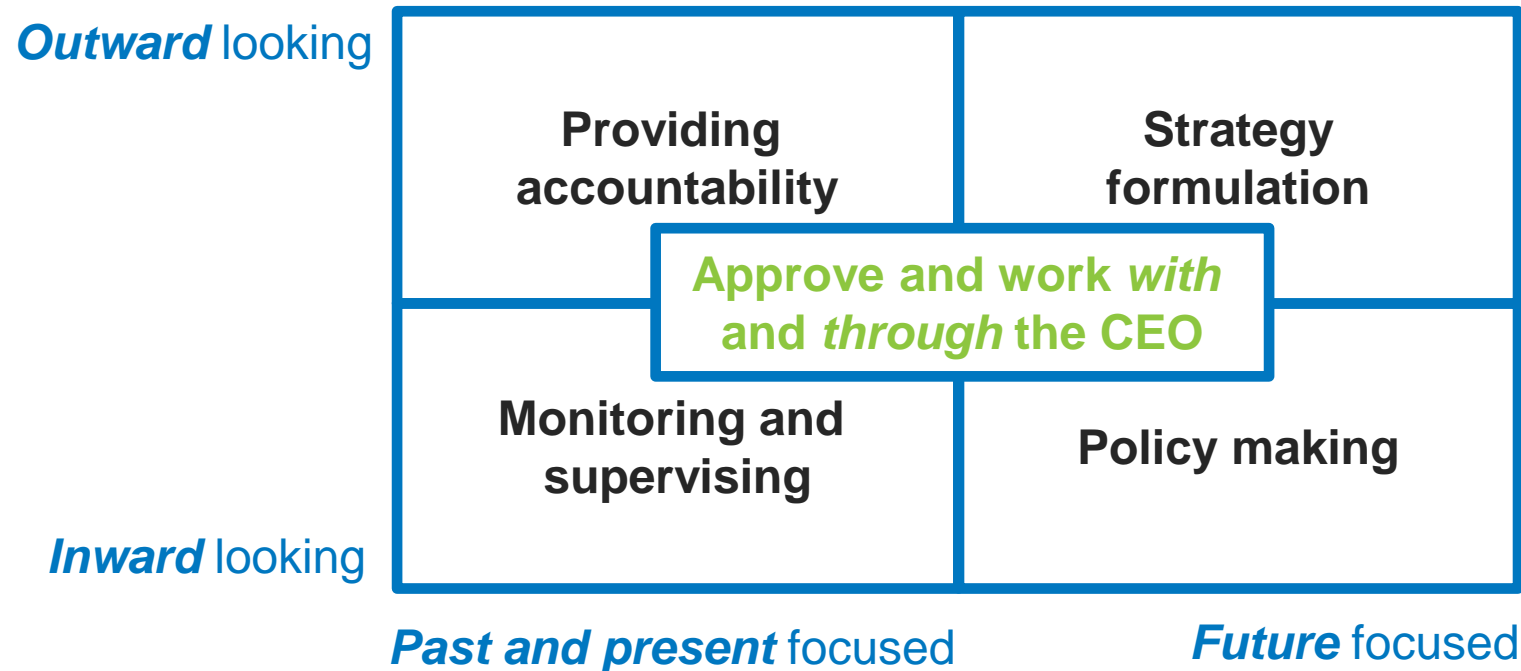
Figure 3: The conformance and performance roles of the unitary board



Source: Tricker R, 2012, Corporate Governance: Principles, Policies and Practices, 2nd edn, Oxford University Press, p 46

4.2 Conformance versus performance (cont...)

Figure 4: The conformance and performance roles of the unitary board



Source: Tricker R, 2012, *Corporate Governance: Principles, Policies and Practice*, 2nd edn, Oxford University Press, p 45

4.3 Compliance policy

One of the important tools for the governing body or board of an organisation is to develop and apply a compliance policy which can be used to guide the trade-off, or mix of emphases, on performance versus conformance.



Participant notes, p 21, Compliance Policy extract

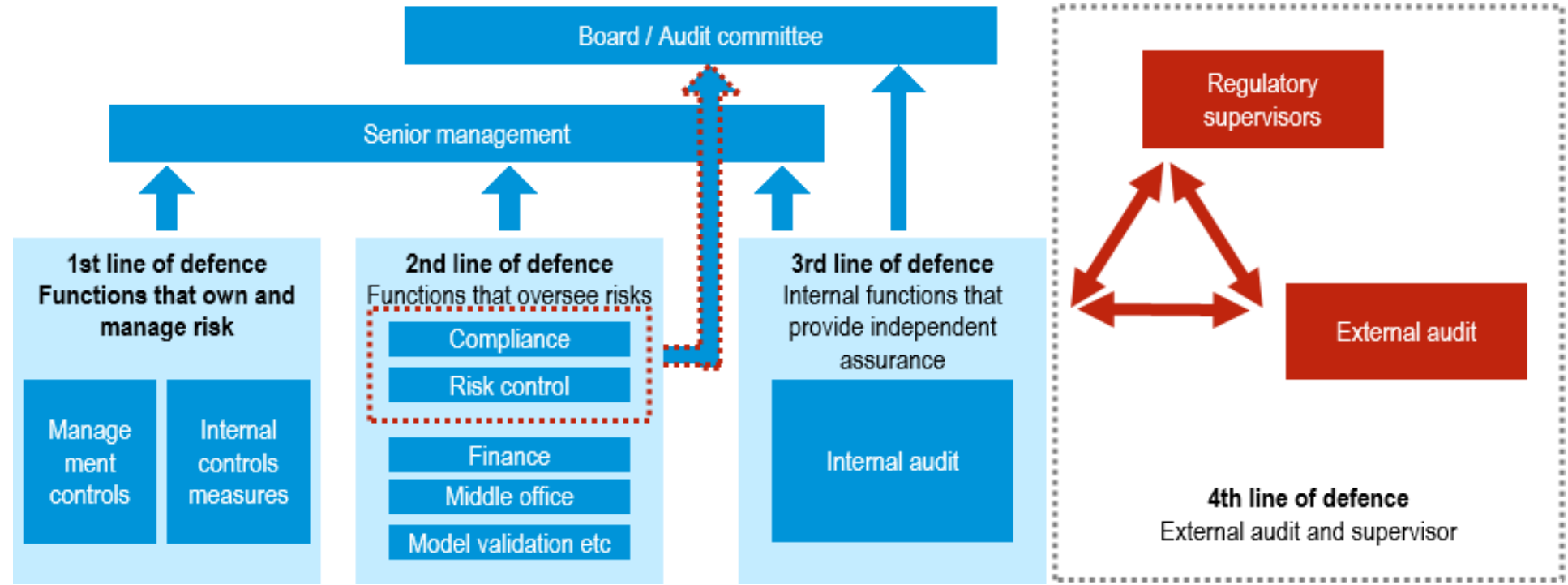


Discussion

Reading the policy, compare your organisation's compliance in relation to its risk appetite and conformance versus performance.

4.3 Compliance policy (cont...)

Figure 5: The 'four lines of defence' model



Source: The 'four lines of defence model' for financial institutions, Occasional paper number 11, Financial Stability Institute /Bank for International Settlements, December 2015, p 10.

4.4 What is assurance?

Table 4: Different levels of assurance

| Type of assurance | Example | Nature of key work performed | Example of conclusion |
|----------------------|--|---|---|
| Reasonable assurance | An audit of financial statements | Detailed testing, evidence-gathering and substantiation to support the conclusion | “We believe the financial statements present a true and fair view”. |
| Limited assurance | A review of financial statements | Primarily enquiries and analysis, less detailed procedures | “We have not become aware of any matter to cause us to believe the financial statements do not present a true and fair view”. |
| No assurance | Preparing financial statements (compilation) | Preparation of the financial statements | No conclusion provided. |

5. Key elements of an effective compliance framework

5.1 Governance and culture

A 'compliance culture' includes 'the values, ethics and benefits that exist throughout an organisation and interact with the organisation's structures and control systems to produce behavioural norms that are conducive to compliance outcomes'.

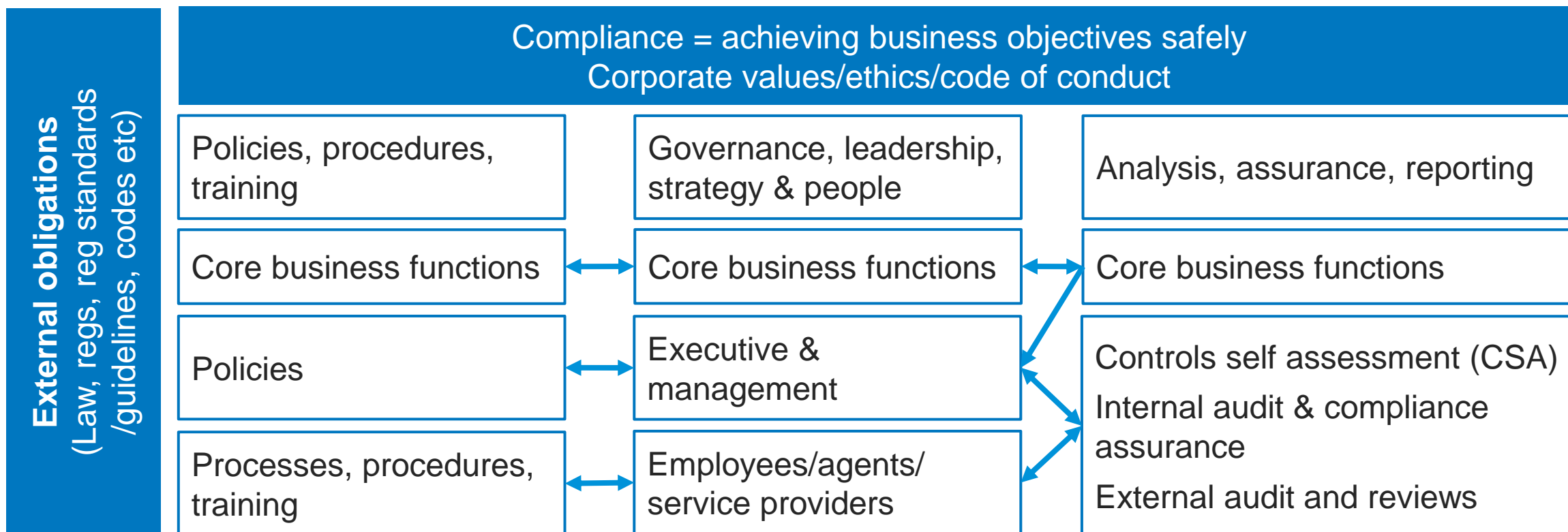
A culture of compliance includes the good governance oversight of:

- organisational commitment and associated organisational structure
- a compliance policy
- a compliance plan
- continual improvement.

See ISO 37301: 2021 – detailed guidance and recommendations, e.g. compliance policy, leadership, operation, monitoring, measurement, analysis and evaluation, improvement.

5.2 Compliance risk assessment

Figure 6: Key elements of a robust compliance framework



5.2 Compliance risk assessment (cont...)



Participant notes, p 26, Figure 7: Flowchart of a compliance management system



Discussion

In groups, discuss a case you have noticed in the media where leadership/governance/culture have been observed to be 'good' or 'bad'. What were the ramifications for organisation?



Reflection

Thinking of the objectives of the compliance management system in an organisation you know, consider the priority of the characteristics listed. To what extent are these priorities defined by the context of the organisation?



Source: ISO 37301:2021 Compliance management systems – requirements with guidance for use

5.3 Planning, implementation and maintenance

Planning is often overlooked in the development and implementation of a compliance management system. Critical for ensuring the ongoing effectiveness of the system.

Planning

ISO 19600:2015/37301:2021

- Ensure commitment at all levels
- Determine scope
- Develop compliance policy
- Define clear roles, responsibilities
- Identify/evaluate compliance obligations & risks

Implementation

ISO 37301:2021

- Risk identification & management
- Compliance and reporting responsibility
- Training & awareness of staff obligations & roles
- Compliance behaviours

Recommendations

ISO 37301:2021

Important to have a fit-for-purpose compliance management system – reflecting the organisation's:

- values
- objectives
- strategy
- compliance risks.

5.4 Monitoring

5.5 Reporting

Monitoring

ISO 37301: 2021

Measuring and monitoring compliance performance. An ongoing process to ensure continual improvement.

Provides detailed guidance and recommendations:

- establishing compliance risk appetite
- maintaining appropriate controls and procedures
- performance evaluation
- development of indicators
- improvement.

Reporting

ISO 37301: 2021

Provides detailed guidance and recommendations on the following:

- compliance reporting
- documentation and record-keeping
- performance evaluation.

6. Compliance approaches

6.1 Centralised, decentralised and 'hybrid' approaches

A question for many organisations is whether to adopt a centralised, decentralised or 'hybrid' approach to compliance implementation.



Reflection

Consider the following questions in considering which approach to adopt:

- How mature is the management culture?
- How available are qualified and experienced resources?
- What cost structure is required?
- How are other similar governance and risk functions in the organisation structured?

6.1 Centralised, decentralised and 'hybrid' approaches (cont...)

Centralised

Benefits

- Greater level of independence
- Drive consistency
- Deal with inherent conflicts of interests
- Deliver some cost efficiencies.

Risks

Seen as:

- remote from the business
- too directive
- 'policeman function'.

Mitigations

- Locate compliance staff within business units, report to central compliance unit
- Sign-off of performance and recruitment by business unit as well as compliance
- Include compliance in key projects and strategy
- Make some processes accessible to business, e.g. incident reporting.

6.1 Centralised, decentralised and 'hybrid' approaches (cont...)

Decentralised

Benefits

- Greater business partnership
- Proximity & accessibility
- Develop early presence in business initiatives
- Identify issues early

Risks

- Subject to 'business capture'
- Higher risk of conflict of interest
- Costly
- Reduce consistency across organisation

Mitigations

- Sign-off of performance and recruitment by business unit as well as compliance
- Centralise development & implementation of compliance processes, policies & procedures
- Applying a 'centre of excellence'
- Compliance management software to drive consistency of monitoring and reporting
- Deliver corporate training centrally and centrally approving business unit training.

6.1 Centralised, decentralised and ‘hybrid’ approaches (cont...)

‘Hybrid’

- Aspects of centralised and decentralised approaches – adapted to context and needs.
- ‘Role confusion’ related to ‘three lines of defence’ model.

6.2 'Compliance by Design'

- A compliance approach that is evolving alongside the evolution of technology is 'compliance by design'
- Compliance approach evolving with technology evolution
- Seek to minimise risk of human error.

6.3 Industry-specific compliance issues

Influenced by characteristics of the industry

Single issue focus

- Focus on specific legislation
- Not address all compliance obligations
- Role of head of compliance
- Australian regulators – review scope of compliance frameworks – are their ‘compliance silos’?

Outsourced functions

- Where compliance expertise is scarce
- More cost effective approaches to managing compliance
- Liability of directors and other senior officers for outsourced compliance failures
- Consider compliance when planning any outsourced activity
- Outsourcing agreements must include compliance measures.

6.3 Industry-specific compliance issues (cont...)

Low industry focus on compliance

- In some industries, low visibility of compliance
- Resistance by employees
- In this case, the compliance management system may need to be developed and implemented in stages.

Compliance equals training

- Often heavy reliance on training for delivery of a compliant outcome
- How effective is the training, e.g. online training.
- Carefully target training to compliance responsibilities.

6.4 Systems for compliance

Reactive

Reactive compliance system:

- Central authorisation, approval & monitoring of decisions etc.
- Responsive to opportunities & risks – get things done.

Preventative

Preventative compliance system:

- Supportive environment, competent leaders, managers, executives – organisational culture – internal control rather than external
- Coach & mentor staff
- Need to focus on emerging compliance risks within the organisational risk appetite
- ‘Self-control’ approach – effective in facilitating commitment.

Anticipative

Anticipative compliance system:

- organisational capability, maturity and culture can be self-assessed and prepared to address opportunities, risks and uncertainties
- Anticipate future change.

6.5 Information systems and staffing infrastructure

Compliance reporting software

- Often combined with risk management software
- ‘GRC’ – Governance, Risk, Compliance.

Legal update services

- Rapidly changing legal and regulatory environment
- Efficient, cost effective legal update service
- Most law firms – willing to provide for relationship or those supplied by regulators
- Complex requirements – may need a subscription to a legal information provider, such as LexisNexis and Thomson Reuters.

Business process management (BPM)

- Embeds compliance controls into business operational and reporting processes
- Significant level of investment
- Aims to drive improved business efficiencies and lower compliance risk.

Staffing infrastructure

- Regulations – organisational competencies, e.g. to maintain licenses
- Requirements for compliance manager
- Direct report to CEO?
- Organisational ‘clout’ and unfettered access to the board and senior management.

7. Implementation of a compliance framework

7.1 Deciding on a strategic framework

Conceptual considerations

- How will the various functions interrelate?
- Aim: maximise performance without compromising conformance
- Other functions with similar impact on compliance competence include governance, risk, quality, legal, audit, human resources, sustainability.

Practical considerations

- Interrelationship of technical legal compliance functions, including finance/tax, Work, Health and Safety (WHS), competition and consumer law.
- No 'one size fits all' solution.



Participant notes, p 36, Considerations the compliance framework should cover

7.1 Deciding on a strategic framework (cont...)



Questions to consider in developing a strategic framework include:

- What are the organisation's stakeholders' expectations of the compliance arrangements?
- What approach are the organisation's peers/competitors adopting?
- How mature are the organisational compliance arrangements? What is the perceived 'track record'?
- What compliance targets are to be established? (see section 7.3 of these materials)
- What does compliance mean to the organisation?
- How will it deliver against the organisation's business objectives?
- What are the key drivers to delivering value?
- Is the organisational culture ready and conducive to a 'compliance culture'?
- Does the board and senior management have the commitment and structure to enable a compliance framework?
- What model should be used?

7.2 Key steps for implementing an effective compliance framework

Rule identification and analysis

Organisational activities, key legal obligations/rules mapped to business functions and processes

Risk assessment

Document organisational objectives, core business functions, core compliance risks, risk appetite statement, perform assessment, prioritise compliance obligations.

Allocation of responsibility

To board, management, employees for all relevant aspects of compliance.

Compliance policy & management system

- **Policy** – reflect compliance risk appetite, include statement of its commitment
- **System** – contain measurements and controls, roles & responsibilities, tools, annual compliance plan(s).

7.2 Key steps for implementing an effective compliance framework (cont)

Training & assessment

Training needs analysis, identify existing training and awareness programs, develop training delivery, develop assessment and recording processes.

Monitoring performance

Supervision and monitoring programs, mix of controls, e.g. self-assessment, responsibility for supervision & monitoring, system for recording results, escalation of breaches/potential breaches, identification of continuous disclosure impacts, monitor risk management status.

Remedial actions

Management & reporting of remedial actions, actioning continuous disclosure obligations, map remedial actions against compliance risk appetite.

Production of management information

Develop compliance reporting templates to add value to decision-making, Identify key compliance behavioural drivers and indicators, develop breach and remedial action reporting.

7.2 Key steps for implementing an effective compliance framework (cont...)

Provision of updates & advice

Develop process for identifying new/changed compliance obligations, organisational changes, stakeholder expectations, assign responsibilities for action on changes, communicate implementation of changes, update compliance framework, advise board, management, employees.

Change management

- Key skill for an organisation's board, management and compliance functions.
- Australian regulators, e.g. ASIC, APRA, encourage proactive management and continuous improvement.

7.3 How far do you need to go?

Organisations meet minimum 'conformance' standards or aim higher to meet performance-based standards. 'Drivers' include:

- Market positioning
- Costs
- Products and services
- Regulatory 'problems' and remediation orders
- Compliance and regulatory pressures
- Stakeholder management
- Organisational maturation



8. Tools and techniques for an effective compliance framework

8.1 Compliance management/'GRC' software

Types of systems

- Manage legal obligations, e.g controls identification, reporting, specific legislative compliance such as WHS, emissions reporting.
- Embed or align internal controls, risk management and compliance into activities.

Considerations for use

- The complexity and maturity of the organisation.
- The cost effectiveness of utilising a systemised approach.
- The culture and level of sophistication of the organisation, its management and its board.
- The behavioural changes that the organisation is striving for.
- Selecting and implementing a compliance software solution.



Participant notes, p 41, Considerations when planning to select and implement compliance software solutions

8.2 Supervision and monitoring techniques



Supervision and monitoring techniques include:

- articulate clear expectations
- use of checklists
- controls self-assessment process
- independent compliance reviews
- process automation
- compliance checks built into workflow processes
- templates.



8.3 Risk registers and compliance obligations registers



A risk register should incorporate:

- identification of relevant strategy or project to which risk has been identified and assessed
- reference to a statement of the risk
- categorisation of the risk
- identification of stakeholders impacted by the risk, and an assessment
- identification of treatment or controls, including follow-up assessments or ratings of the risk after treatment or control is introduced
- timetables and plans of the treatment and monitoring
- records of any changes made and updates of the risk register (with signatures)
- compliance risk taxonomies
- compliance obligations registers.

9. Effective reporting of risk and compliance

9.1 Provision of timely information

9.2 Dynamic reporting

Provision of timely information

- Basic element of compliance reporting
- Timely information about breaches, potential breaches, including circumstances, actions taken, notification to regulator required?

Dynamic reporting

- Effective compliance reporting:
- a result of ongoing dialogue with the report recipients,
- constantly evolves in line with the evolution of the organisation's compliance maturity and business objectives.

9.3 What kind of reporting should be included?



Effective compliance reporting should include the following elements:

- dashboards, e.g. breaches/incident (see next slide)
- emerging compliance risks
- significant external regulatory actions/developments that may impact business
- actions arising from last meeting and status
- key activities for next period.

9.3 What kind of reporting should be included? (cont...)

Figure 8: Example compliance 'dashboard'

| Category | Organisational compliance risk appetite rating | Current residual rating | ▲ | Executive responsible |
|---------------------------|--|-------------------------|---|---|
| Legislative – competition | Low | Medium | ↓ | Head of Marketing - Action Plan (ref) pressing as intended |
| WHS | Low | High | ↑ | WHS Update implementation team - WHS Plan - Implementation date is 3 mths away and is falling behind schedule |
| Environment | Medium | Medium | ↔ | All mine managers - Action Plan professing as intended (ref) |
| Tax | Medium | High | ↑ | CFO and Head of Tax - Auditor advisees of new ATO documentation - Action Plan being formulated |

9.3 What kind of reporting should be included? (cont...)

Figure 9: Compliance incident table — Quarter 1 (example)

| Incident | Rating H/M/L | Compliance plan reference | Is this a compliance breach? | Incident description | Corrective action | Responsible manager | Date of incident | Current status |
|------------------------|-----------------|------------------------------|------------------------------------|--|---|------------------------|---------------------|--|
| Misleading advertising | H | Section 25 | Yes | Items advertised at discounted prices not available at points of sale during advertised time | <p>Corrective advertisements placed in press.</p> <p>Advertised merchandise made available for additional periods.</p> <p>Marketing processes reviewed and remedial training delivered.</p> <p>Identified customers adversely impacted received recompense by way of price adjustment (see Action plan (ref) remediation)</p> | GM Retail | 25/10/16 | <p>Corrective adverts issued and remedial actions completed.</p> <p>Process review and training in progress.</p> <p>ACCC voluntarily notified.</p> |

Source: Adapted from KPMG. Reproduced with permission.

9.3 What kind of reporting should be included? (cont...)

Example reporting of compliance incidents/breaches:

| | |
|---------------|---|
| High | Incident reported immediately to chair of compliance committee and in detail in board committee report |
| Medium | Incident reported immediately to CEO, in detail in CEO monthly report, and included in compliance breach metrics in board compliance report |
| Low | Incident reported on weekly management report and included in compliance breach metrics in CEO monthly report and board compliance report |

Source: Adapted from KPMG. Reproduced with permission.

10. Conclusion

10 Conclusion



An effective compliance management system:

- Integral to achieving an organisation's strategic and business objectives
- Responsibility of both board and management
- Drivers are an organisation's governance and culture
- Guidelines, standards are available from regulators and industry associations/peak bodies
- Must have effective analysis and reporting of risk and appropriate compliance management systems
- Trade practices/competition law decisions – 'culture of compliance', due diligence

10 Questions?



11 Resources

- Online legislation
- Regulators' websites
- Standards and guidelines
- Legal publishers/information providers
- Reports and journal articles
- Industry and professional associations
- Governance Institute technical resources (see www.governanceinstitute.com.au)
- Reference books

Thank you

Thank you for choosing Governance Institute of Australia professional development.

Please contact us for further course inquiries:

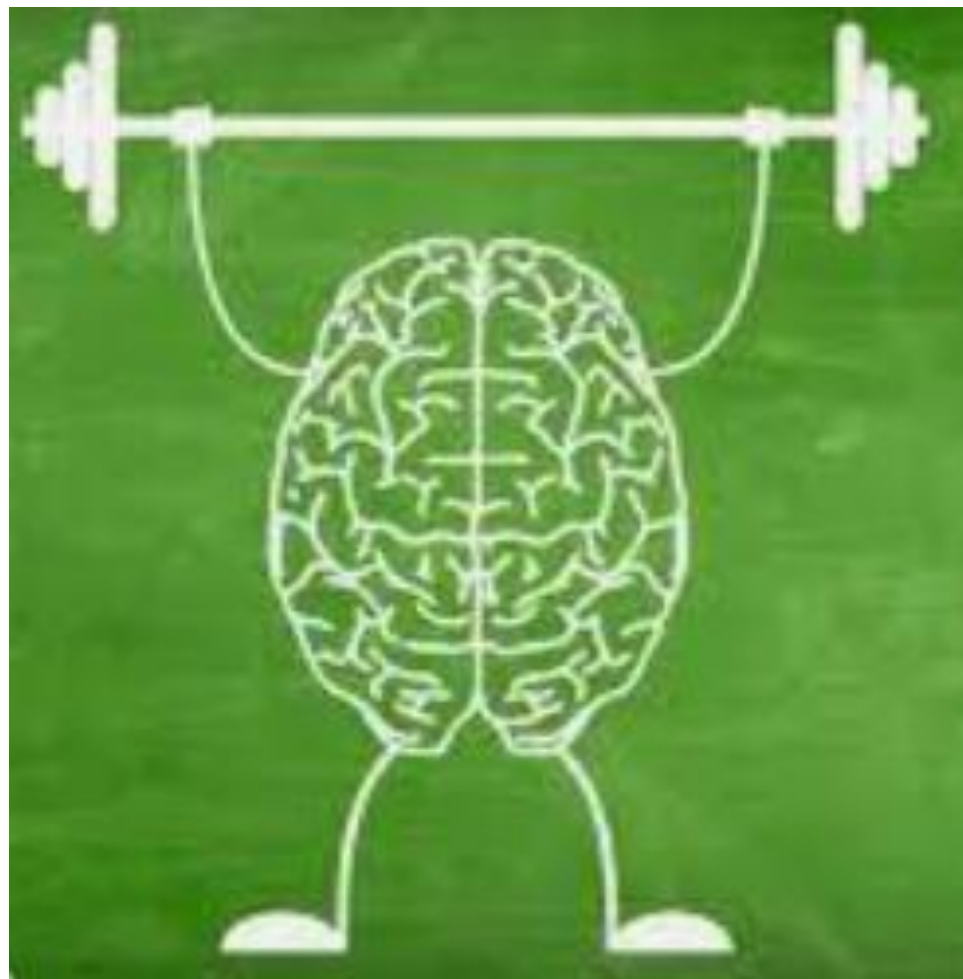
Toll free: 1800 251 849

National Office: (02) 9223 5744

Course details available at:

governanceinstitute.com.au/courses-events/calendar-of-events/

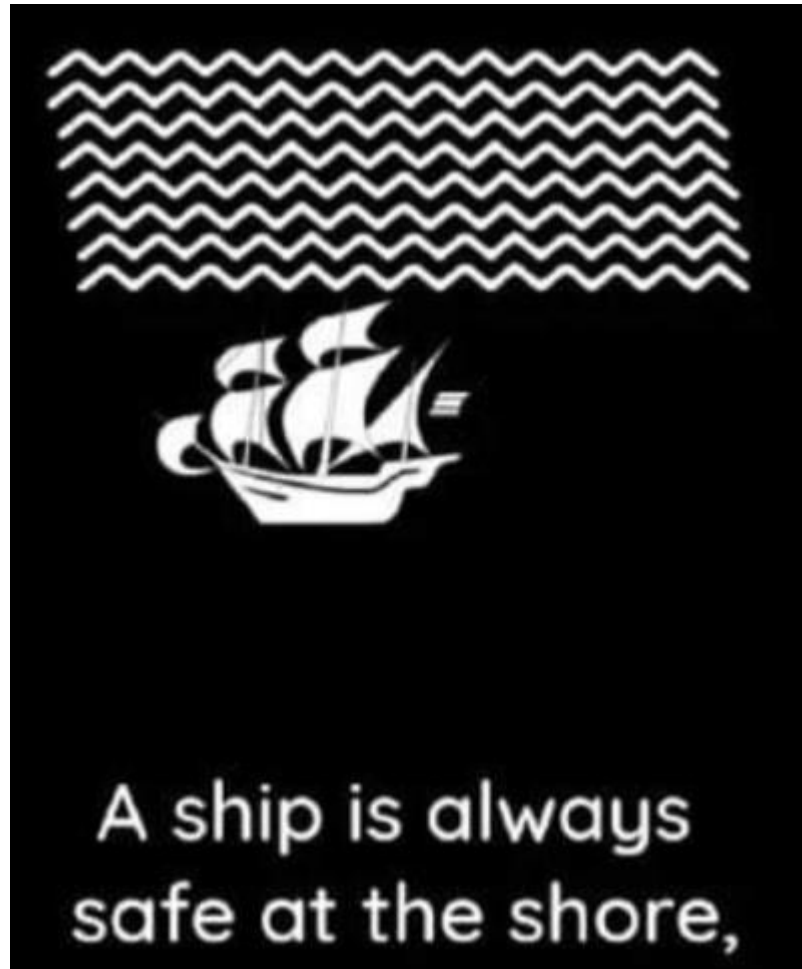
Session 2



What does this picture say ?



What does this picture say ?



List your stakeholders

| Stakeholder | Expectations | Challenges |
|-------------|--------------|------------|
| | | |
| | | |
| | | |

Meeting Compliance Requirements

What is working Well ?

Meeting Compliance Requirements

What are the challenges I am facing ?

Meeting Compliance Requirements

How will we meet the requirements ?