

HUNTER HALL MAKES COMPLIANCE EASY WITH RISK360®



KEY BENEFITS

- Keeps the board and senior managers informed
- Automates risk and compliance processes
- Consolidates information in one central depository
- Creates a risk management culture
- Promotes accountability

THE CHALLENGE: COMPLIANCE WHEN CHANGE IS A CONSTANT

RISK360® is helping Australia's largest ethical fund manager to consolidate and automate its risk and compliance management, making it easy for staff at all levels to take ownership and make better decisions.

"Because RISK360® will be used across the entire organisation, from directors down to administrators, it will help instil a risk management culture throughout the organisation. Ultimately, this will mean more informed decisions about risk."

-- Ouafaa Karim, Company Secretary,
Hunter Hall

When Hunter Hall launched a superannuation fund in 2003, the company realised compliance was growing too complex. Manual systems were becoming cumbersome. Whenever a new product was added to the company's portfolio of investment vehicles, it brought yet another layer of complexity. Changing financial services industry regulations and closer scrutiny of listed companies only added to the compliance burden.

Ouafaa Karim, Company Secretary and Compliance Manager for Hunter Hall International Limited and its subsidiaries, said it was time to do things differently.

"Rather than throw people at the problem and increase headcount, we wanted to be innovative and to work smarter," she said. "There is a lot of repetition in the compliance process, so there is plenty of room to improve."

When the Australian Stock Exchange (ASX) adopted corporate governance guidelines in 2004, several audit firms launched systems to help companies comply.



**THE SOLUTION:
RISK360® FOR
VISIBILITY AND
CONTROL**

**WEB-BASED SYSTEM
EASY TO USE -
ANYWHERE, ANYTIME**

"As a listed company, we looked at those systems, but the problem was they didn't go beyond the ASX rules. In our industry, we also need to comply with a raft of regulations for managed schemes, superannuation funds and various financial services industry codes. Every year you can count on something changing," said Karim.

Hunter Hall spent some time identifying a tool that would help them manage risk and compliance in the face of constant change. As well as dealing with increasing regulation, the company itself was growing.

"We were looking for something that would help us consolidate our risk and compliance management processes in the one system. We wanted an automated system that was easy to use and maintain, and we wanted a system that offered more than just a "box ticking" process. We found that RISK360® met our criteria and provides the flexibility to add to it as we need to," she said.

Hunter Hall selected RISK360® in March 2005 to consolidate and automate the company's risk and compliance management processes.

"The great thing about being an early adopter of RISK360® is that we have been able to help shape it," said Karim. "From day one, we have had a partnership relationship with RISK360®."

"We've been very happy with our choice..."

RISK360® is delivered online, has an intuitive interface and is accessed via a web browser. This means it is easy to use, quick to implement or upgrade and can be accessed from anywhere. Secure access is provided to Hunter Hall staff based on their job role. Its design is taken from the internationally accepted risk management standard AS/NZS4360, so Hunter Hall staff familiar with the standard found it especially easy to navigate.

"With RISK360®, monitoring and reporting is made easy - our people are reminded of their responsibilities and deliverables via email, their responses and actions are then recorded for management reporting.. Compliance is made easier and we are more confident of meeting deadlines."

CREATING A RISK MANAGEMENT CULTURE

RISK360® will hold all of Hunter Hall's risk, compliance and regulatory documents in one place rather than across multiple systems, consolidating information and improving control. It will be a critical management tool with the ability to track tasks and produce reports showing what is outstanding at any given time.

"A key benefit is that it automatically reminds people of their deliverables. With RISK360® in place, everyone has shared responsibility for compliance tasks and ownership is clearly defined," said Karim.

VALUE OF REPORTS SITS ULTIMATELY IN THE BOARDROOM

RISK360® streamlines Hunter Hall's daily reporting tasks. For example, the fund administrator can produce a quarterly report to show that certain risk and compliance measures have been met.

"RISK360® allows us to monitor and review the business on an ongoing basis," said Karim. "But the real value ultimately will sit in the boardroom."

With company directors under enormous pressure to be across a lot of information at once, reports from RISK360® can help them distil the information quickly so they can make more informed decisions.

FUTURE PLANS

With the first phases of the implementation now complete, which included identifying the structure of the system, building the database of risk and compliance documents and nominating owners, Hunter Hall will soon have its superannuation fund business live on the system. This will be followed by the roll out of the system for all of Hunter Hall's managed schemes.



ABOUT HUNTER HALL

Hunter Hall International Limited is Australia's largest ethical fund manager, with more than \$1.7 billion currently under management. Formed in 1993 and listed on the Australian Stock Exchange, it operates four ethical investment trusts, the Hunter Hall Value Growth Trust, Australian Value Trust and Global Ethical Trust, and an offshore unit trust registered in Ireland. The company also operates the Hunter Hall Ethical Superannuation Fund and manages the Australian listed investment company Hunter Hall Global Value Limited. www.hunterhall.com.au