

Risk Management

The Board regularly reviews the identification, management and reporting of risk as part of the annual budget process. More frequent reviews are undertaken as conditions or events dictate. In the first instance reviews are undertaken by management under the direction of the Managing Director and are then reviewed by the Audit and Risk Committee. The Board risk management process comprises the following aspects:

Oversight and Nature of Risk

The Board reviews the financial and related operations of the Company on a monthly basis. The identification and monitoring of critical risk factors form an integral part of the associated monthly management reporting process. Risks may be of a financial or non-financial nature.

Risk Mitigation

The Board regularly reviews avenues to mitigate identified risk. Typically, mitigation processes comprise a range of options including revising/enhancing controls and procedures, limiting contractual obligations, introducing improved education and training, improving quality assurance and the appointment of external service providers on a needs basis. The company also has insurance, including product liability and professional indemnity insurance, to cover unexpected or unforeseen events and reduce any adverse consequences.

Monitoring of Risk Management Process

The Audit and Risk Committee is responsible for reviewing the effectiveness of the risk management process. The Committee meets at least three times a year and more frequently if the need arises. As part of the review process the Committee considers the extent to which the risk process has been successful in retrospect with regards to the identification and mitigation of risks.