

IRM North East Regional Group Seminar - Notes

13th May 2010

Name	Company
Attendees	
Doug Skene (DS)	TL Dallas
Neil Hodgson (NH)	Oval
Wendy Hardman (WH)	AON
John Garrity (JG)	AON
Donald Morgan (DM)	Bradford & Bingley
Simon Tranter	Grainger Plc
Steve Treece (ST)	Identity & Passport Service
Paul Matthews	JobCentrePlus
Neil Young (NY)	Stat Oil
Kath Wright (KW)	Cooperative Group
Ian Smith	DWP
Jeff Colley	Wakefield and District Housing
Ian Helyar	Barlett
Paula Chamberlain (PC)	AVIVA
Vickie Glantz	Northgate Plc
Carl Gray (CG)	Sheffield Council
Peter Nutbein (PN)	Royal Mail
Guests	
Alex Hindson (AH)	IRM
John Downie	Guest of JG
Chris Dale	Guest of JG
Adam Skene (AS)	Guest of DS
Mads Hembre (MH)	Guest of NY
Apologies	
Bill Aujla (BA)	BT

1. Welcome, alarm, evacuation and assembly details

DS opened the meeting and set the scene. JG introduced our speaker AH and passed on BA's apologies who had unfortunately been detained in Norway. AH is Deputy Chairman and a board member of the IRM, in addition to being the Head of Group Risk at Amlin plc. AH previously was a chemical engineer by trade at Astra Zeneca, before moving to AON to become a consultant.

2. Alex Hindson – Emerging Role of the Risk profession as Steward of the ERM Process

- AH outlined the changing role of the IRM following a recent study by a marketing company, which identified the need for the IRM to lead risk professionals in making risk management a profession, not just a task.
- AH believes that ERM is a balanced view of Risk Management and if a benefit can be found in the process it helps tremendously i.e. Standard & Poors are the only rating Agency to have a separate ERM rating, so this can have a direct influence on capital management. Probably the main challenge is to just get on with it.
- AH discussed the FSA consultation paper on the Walker report (.....) which details the requirements of for board members. The FSA paper ultimately concludes that not only the controlling person must be included in the process, but heads of risk etc. The criteria

will include whether the individuals concerned are fit and proper, suitably qualified etc, however the onus will be on proving criteria isn't relevant.

- IRM have been in discussion with the FRC on the Corporate Governance review which is underway currently, the new guidance is expected in December / January. The IRM are also involved with the consultation of the review of Turnbull, as currently the FRC don't understand Risk Appetite.
- Making ERM a profession is going to be difficult, with AH using the Coca Cola's European bottling business as an example, where the whole team has gone. Governance, Risk & Compliance often now all being consolidated. Often a main problem is that regulations deal with yesterday's problem, which means that although the situation is dealt with, it is done rather reluctantly.
- AIRMIC have recently commissioned a study into ERM, literacy search is very good with broad appeal, however it is restricted to just 5 real life case study companies, so it evolves into stories of what they have done as oppose to the tangible benefits. AH discussed the maturity model to help understand where you are in your ERM process, however that is personal preference as there are so many different standards and frameworks available and it is the use of such a document that is important.
- The discussion moved onto Risk Appetite and the fact that this is often expressed in numbers, when in fact words can be as such a powerful tool. The important aspect of this is that everyone knows who owns each risk and that it is linked back to that individual's performance management process – this of course ensures the owner just doesn't just sign off!
- The issue of training was raised and AH referred to what they have done in Amlin (this is public domain information) whereby the ERM process is discussed in every induction. Amlin's L&D team have written a specific short course which lasts for one day but ensures all staff is aware of what they are trying to achieve and the structure which is in place to support these goals. The message is delivered locally with local Risk Coordinators (part time) who have undertaken the IRM's Fundamentals of Risk course, which out of interest, can be customised for members own internal use.
- AH closed the session with a discussion again on the IRM mission to move risk managers into a profession and how in the last 6 years the IRM has gone from being bankrupt with 750 to over 3000 members of which 30% are non UK based but all of whom use English as the business language.

3. Thanks

- PN proposed a vote of thanks to AH for an interesting and purposeful inaugural NE seminar.