



Annual Hot Topics Meeting

MONDAY 3 DECEMBER 2007, HIGHWAYS AGENCY, MANCHESTER.

Ray Butler welcomed us to the Highways Agency once again, and we started with mince pies and coffee to warm us up on a sleety day in Manchester. For the first time this year the agenda included an AGM for the group.

NW Regional AGM

Meetings in the previous year had been the following.

Date	Topic	Joint?	Location
7 December 2006	Christmas Hot Topics	No	Highways Agency
18 January 2007	Making Enterprise Risk Management Work In Practice	IIA	Lowry Centre
29 March 2007	The Risk Appetite	AIRMIC	Highways Agency
5 July 2007	Why Quantify?	APM	Mechanics Institute
11 October 2007	Risk Management Competence	No	NWDA

It was considered this had been a fairly successful slate of meetings. Reports of the meetings, and most of the presentations are available on our part of the IRM web site. A survey had also been held in the course of the year. The vast majority of respondents (84%) thought the group valuable or useful and no-one thought we are wasting our time. We took the comments on board and have been able keep doing what we do well and use the responses to improve

This included publication of the programme for the year ahead. Our current plans are as follows.

Date	Topic	Joint?	Location
3 December 2007	Christmas Hot Topics	No	Highways Agency
31 January 2008	Learning from the Lean Method and Risk Management	IRM Innovation SIG	NWDA
March 2008	Financial risk / value at risk	?	?
July 2008	Programme risk (and interface with corporate risk)	APM?	?
October 2008	Societal concern	?	?
December 2008	Christmas Hot Topics	No	Highways Agency

The steering committee had been expanded during the year and now comprised Ray Butler (Chair), Andy Garlick (Co-secretary), Mike Robertson (Co-secretary), Tim Chronnell, Kate



Boothroyd and Antony Davies. The members present were content for these arrangements to continue.

All present joined Ray in thanking the committee for their hard work

IRM Developments

Steve Fowler, Chief Executive of the IRM gave a talk which covered the activities of IRM management over the last 12 months.

In education and training the main achievement has been the launch of the new international diploma. Steve showed a film about this at the end of the presentation which portrayed what had been achieved. Beyond this the Management of Risk and Uncertainty course had been refreshed, and the same would happen to the Certificate by April.

With regard to membership services, lots of regional and specialist groups were getting off the ground, and an online information library service would be provided shortly. A final element was career support. The IRM had been working with recruitment agencies to help them sell the value of IRM qualifications to their clients.

Business development was proceeding apace as discussions were held with equivalent international organisations, and we grew our presence at various conferences, etc. This was to be continued through the appointment of a new marketing manager, Ian Fraser, who had joined us for the meeting.

Finally, the IRM was refreshing its infrastructure as well, including moving the Board into a more strategic role. During the course of the year an industry standard core business system would replace the old, outdated setup the IRM had coped with to date.

Hot Topics

Jenny Rayner introduced governance and strategic risk management using the WorldCom debacle as an example. The company had met formal standards, but this had not prevented its collapse. There is an increasing realisation in the internal audit community that governance risks need to be managed and audited. All organisations assess projects and the achievement of objectives - 'doing things right'; but only a minority assess risks around 'doing the right thing' - governance arrangements and strategy development. Jenny felt there was an opportunity for risk-based approaches to be used more widely but that this was often pushed back.

In discussion it was established that one government organisation was assessing just such risks under the guidance of a new head of Audit & Risk. A financial sector company had mapped the maturity of their governance processes to establish where there was a need to double check decision making.

The main conclusions from the discussion were:



- Very few organisations yet formally assess these risks;
- It can be very difficult to get boards to accept the need to do so
- The best opportunity to assess these governance related risks was when strategy was actually being set, as part of choosing the right strategic option.

Captain Thomas J Proctor from Vectra then talked about the ISPS, the international ship and port facility security code. This takes a risk-based approach and Tom led us through the checklists involved in terms of identification of the assets, their vulnerability and the implications of them being compromised. He concluded by saying that it is very difficult to take a systematic approach when one has to deal with risks created by opponents with specific and different cultural characteristics. It is not easy to think like the bad guy, especially when he has so many options open.

The discussion centred around the usefulness of a checklist based approach. The value of the checklist process is not so much the outcome, but, where it was done correctly, the act of going through the process stimulating those involved to ask the difficult questions

The issues of security risk is a broad one, encompassing IT security among other things, and it may be that this should form the topic for one of the IRM meetings in the North West.

This concluded the meeting and we departed for less formal discussions, thanking Tom for his presentation.

Andy Garlick / Ray Butler
IRM North West
4 December 2007