



The Institute of Risk Management

North of Scotland Regional Group

Meeting	Meeting No. 12
Venue	<i>Centrica Energy Upstream</i> 62 Huntley Street Aberdeen AB10 1RS
Host	Boyd Wright, CEU
Date	23 rd June 2011
Time	12.00 – 14.00
Topic	(a) <i>Centrica Energy Upstream</i> Approach to Risk Management (b) Ways of Identifying Risks

Attendees:	Apologies:
Nicola Bermingham	Tanya Castell
Martin Gray	Amanda Robertson
Margaret Harris (MH)	Gordon Fettes
Gavin Hedge	Alison Lyall
Allan MacKay	Ian Little
Ruth MacLure	Alec Featch
Richard Millington	Allan Hunter
Robert O’Keeffe – <i>Speaker</i> (ROK)	Ken Walker
Cameron Ramsay	Andy Laing
Helen Robbins	Neil Fraser
Andrew Smith	Kelly Lindsay
Phil Smith	Mary Jane Statham
Winston Ugond	
Andrew Wood	
Mark White	
Boyd Wright – <i>Host</i> (BW)	
David Yorkston	



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- 1 MH opened the meeting and welcomed new members to the Group. MH passed round an attendance sheet in the normal way. Following which a brief introduction was delivered introducing BW
- 2 BW provided an overview of Centrica Energy Upstream explaining the structure of company and the activities undertaken by the various subsidiary companies.

A copy of the presentation materials will be provided for all attendees/members of the group for reference purposes.

- 3 ROK provided a detailed presentation outlining how Centrica/Centrica Energy Upstream approaches Risk Management (once again a copy of the presentation materials will be made available to group members for reference purposes).

Some of the key highlights of the presentation and the aspects which promoted discussion have been summarised below for reference purposes (it should be noted that this list is not exhaustive):

- RM is both a top-down and bottom-up process.
- The complexity of risk within a large corporate entity.
- CEU – how RM is done, various levels and escalation triggers.
- CEU – how controls assurance matrix is utilised.
- There was significant debate around the style of risk matrix utilised and whether or not it represented a risk adverse approach to risk or not. Indeed there was sufficient discussion around this topic that it may be appropriate to re-visit risk matrices as a stand alone subject for a future meeting.
- Business risk approach adopted is largely qualitative.
- The recording of any/all assumptions made during the review process is important.
- CEU escalation process and utilisation of 'purple' CEO risks.
- The most important part of the CEU approach to RM is the discussions that are undertaken and the profile RM has as a result throughout the business.
- Once again the issue of *Black Swans* was raised.

The presentation by ROK generated significant debate and it was noted that it was unfortunate that ROK had to leave prior to the end of the meeting otherwise the healthy debate generated by the presentation could have continued further.

- 4 Following on from ROK's presentation a general round table discussion was chaired by MH loosely around the topic of identifying risk but this also included reference to a number of the topics noted during the previous presentation.



Once again the key highlights of this discussion have been summarised below for reference purposes:

- Emerging risks can put well-organised companies out of business no matter how well prepared they may be for conventional risks.
 - There was some discussion about how far you go in terms of identifying the root cause of incidents/accidents.
 - The human factors element within RM is significant.
 - The role of the risk facilitator is key to allow/enable/empower individuals to share information and experiences.
 - You can identify elephants in the room long before you can actually work out why they are there in the first place.
 - The key is how you can ask the awkward questions – how to get people to open up and links once again into the human factors side and other cultural aspects/issues.
 - Important to measure the effect of the risk control measures to try to identify whether or not they are reducing/controlling risk and achieving value for money etc.
 - Risks are often identified and discussed in isolation without fully acknowledging or accounting for the potential correlations which inevitably exist between them
- 5** MH asked if the format of today's meeting was worthwhile (a presentation followed by a round table discussion on the presentation topic). All present agreed that future meetings should follow a similar format.
- 6** MH encouraged all those present who were not currently members of the IRM to visit the IRM website and to actively consider joining – although she also confirmed that if they did not join then they would still be welcome to attend future meetings.
- 8** Date of Next meeting – 6th October, 2001 at Central Insurance Services, Westhill, Aberdeen
- 7** At 2pm MH brought the meeting to a close and thanked everyone for attendance, and the hosts for the day BW and ROK.

NoSIRM - Group Aims

- Provide a forum for communication between members and the IRM
- Widen the reach of the IRM to members residing outside London
- Develop risk management knowledge and skills and share best practice amongst members
- Expand the boundaries of risk management thinking by encouraging active thinking and provoking thought amongst the members
- Encourage growth in membership of the IRM
- To develop knowledge amongst the members taking part
- To provide networking opportunities to participants



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