

in this issue

1) Chartered Institute of Personnel Development – an overview in our context

2) Concluding part of special feature following:

**A structured approach to
Enterprise Risk Management (ERM)
and the requirements of ISO 31000
an AIRMIC / ALARM / IRM publication**

**How we can add value from our ongoing programme on “enabling” ERM through
human factors and communication issues**

3) **and the return of “and now for something different”**

British Tory Leader Rt Hon David Cameron, addresses The Centre for Social Justice

1) - Chartered Institute of Personnel Development (CIPD)
an overview in our context

I have previously mentioned this Institute, in particular in the context of 3 of their 12 basic subjects overlapping with our area of research:

- (i) LEARNING, TRAINING and DEVELOPMENT
- (ii) PERFORMANCE MANAGEMENT
- (iii) PAY and REWARD.

I can commend their Website at www.cipd.co.uk as their input is especially helpful now we have progressed to this stage – I found that questions raised were responded to in general terms by their Website Support people and three CIPD papers were kindly provided to me for our research:

“Risk and Performance: HR’s role in managing risk” (2006)

”Managing reward risks: An integrated approach” (2009)

“Performance Management: an overview” (revised February 2009)

These are already proving to be helpful and will be referred to again, with appropriate references as needed. Interestingly, from the dates of these papers, the CIPD have been working independently of us within a not dis-similar time frame (for newer readers, our SIG was set up as shown in General Information at the foot of all these NEWSLETTERS)

2) Concluding part of special feature and ISO31000 etc taken from joint paper
– enabling ERM etc.

We took a short break from this project due to looking at Forum and *James Bond* matters, but can now tie up this current stage as follows::

In the concept of a “one stop” shop for enabling ERM incorporating a Performance Management context, we had identified five broad “clusters” to be the basis of a future framework, however it must be recognised that there is no “one size fits all” and this is merely a guidance model ((see the last *NEWSLETTER, No 54* for how this was arrived at).

These are shown again below, with black headers for the detail from this original performance management model and blue headers for additions from our own library. Further, the most relevant insets added from the ISO31000 publication (with the page number shown for reference).: It should be noted that some could apply to more than one cluster, but have been shown in the area where there is most dominance) -.

1) Finance, an overview from higher management and Internal Audit and Governance and Risk Manager “1 of 2 part of our own cluster” to work closely with:

“risk architecture” including roles and responsibilities risk strategy” which included attitudes and philosophy, plus “risk protocols” including rules and procedures –
Page 7

Part 2 of the guide, made reference to “Board mandate – policy describing the risk architecture of the organisation” P10 “risk architecture of a large PLC”, with the two way communication path between The Board and Business Units being via the three committees of “Audit”, “Group RM” and “Disclosures - Page 10

Infrastructure risks” Page 14

“outsourced service providers, leadership and commitment”, guides to line managers and others. Page 6

included stakeholders better informed strategic decisions Page 2;

2) Human Resources and Information technology, the Risk Manager (again) and Training and Health and Safety (2 of 2 part of our own cluster)

“description of the risk aware culture or control environment” and “ allocation of risk roles and responsibilities” and “risk management training topics and priorities”. Page 10 and 11

easily be understood by a wide range of people Page 5

setting good standards of health and safety Page 6

communication and risk reporting structure communication on risk issues Page 7

services and implementation “upside risk”, plus achieving objectives attaining the desired level of reward Page 2

: “Communications (but only externally driven! - Ed) and recruitment, people skills, health and safety within the internally driven area. - .Page 14

“Implementing and benchmarking” ,Page 13

monitoring and review of performance and communication and consultation ”Page 9

NB. The Risk Manager appears in both 1) and 2) above following on from the earlier model shown in *NEWSLETTER No 52*, where a pivotal role was shown within that cluster. It should also be noted:-

(a) In a formal drawing, the circles for 1) and 2) would overlap each other in the area of risk management, indeed in organisations where the RM function was ran by Internal Audit, then the overlap between the two circles would increase and where there was weakness in forward thinking ERM, become almost an “eclipse”

(b) The function of Health and Safety (and the H&S manager) is shown in exactly the same order in 2) above as in the earlier model shown in *NEWSLETTER No52*.

3) Marketing, Sales and Customer Service.

included the introduction of the basic 3 way risk matrix which can be used (although needs modifying from our Context) and that “there is no risk classification system that is universally applicable to all types of organisations, which encourages people to think in the right focus for their situation. [Page 5](#)

NB. This cluster is working closely with:

4) Product development – NB These two also have a special responsibility via their risk champions to communicate with 1) and 2), in addition to being otherwise subject to the ISO31000 points as 5) Operations below. It is anticipated that when fuller performance management detail is added, much will be driven from within the 3) and 4) clusters.

5) Operations (this is both a cluster in it's own right to cover other organisational activities, but is also a “dimension” applying to the above clusters too)

improved perception of the organisation - [Page 2](#)

“knowledge . . . and understanding (of the organisation and It's overall environment).” [Page 8](#)

specialist risk management functions Table 3 Page 12 with it's own Implementing and Benchmarking” [Page 13](#)

Report risk performance”, there is finally some reference to “internal communication and reporting” [Page 16](#)

and now for something different

British Tory Leader, Rt Hon David Cameron addresses The Centre for Social Justice

As I write this breaking news, (a.m. 27th April) Mr. Cameron is giving a speech on **Mending the broken society** at Lambeth London, at a venue which includes the Lincoln Tower (named in honour of the US president) one of London's many wonderful, but little known landmarks.

The Centre of Social Justice was founded in 2004 and their Website offers a free download on their paper for replacing the present, little loved, UK Jobseekers and others with a Dynamic Benefit system, thus allowing a better interface with lower paid work to enable more people in the UK to return to employment. .

Whilst party politics must never be a part of our profile, whichever side get in, governments of the future will have to pay far more attention to these *people issues*.

However, the work of organisations like The Centre for Social Justice is highly relevant, much of this 300+ page report is in accord with our own objectives –

“social justice in the workplace” forms an integral part of enabling ERM in a performance management context and the “two chains” approach quoted in the last *NEWSLETTER No 55*. There will be more on this topic and other more advanced areas after the outstanding revised Guide draft has been concluded.

Anyone wanting more details please log on at www.centreforsocialjustice.org.uk

In future issues:

Now the basic **ISO 3100** input has been incorporated, it is hoped to use the next technical *NEWSLETTER* to expand Performance Management data and then in an issue just before the AGM (28th June in London), to include cherry picked extracts from the earlier Guide draft that is held in our library.

In the meantime, please write in with any comments, feedback really is appreciated.

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General Information

This Special Interest Group of the Institute of Risk Management was formerly know as the *People, Communication and Behaviour* SIG and the current Chair is Pauline Bird MIRM. The SIG was founded at the end of 2005. The first *NEWSLETTER* was issued in December of that year and can be downloaded along with all subsequent issues from the **irm** Website, or on application to the Editor for specific topics. The inaugural meeting of the SIG was in January 2006, the founding officers being Michael Ocock FIRM, Chairman and Bruce Widdowson FIRM, Secretary. The address of the Institute of Risk Management is: 6, Lloyd's Avenue, London EC3N 3AX .- Telephone +44 (0) 20 7709 0716 - Web: www.theirm.org

End of Transmission
