

Media release

London 3 May 2011

IRM Launches Consultation on Risk Appetite

The Institute of Risk Management (IRM) has released a consultation paper which aims to develop guidance to organisations on the subject of risk appetite. The document was produced by a team of IRM members including the Institute's Enterprise Risk Management (ERM) Special Interest Group.

Richard Anderson, IRM Deputy Chairman and the main author of the report, explained that "Risk appetite is still a new and evolving subject, particularly outside the world of financial services. We believe that IRM, with its broad base of qualified and experienced members in many countries and sectors is uniquely placed to demonstrate thought leadership and develop guidance in this challenging area. Effective enterprise risk management is not just about putting risk management processes into place across an organisation – it is ultimately driven by the board of directors who must maintain a clear view of the risks facing their business, matched against its capacity for taking and controlling those risks. This has been highlighted by the new UK Corporate Governance Code which places a clear responsibility on boards to determine the nature and extent of the significant risks that they are willing to take in achieving their strategic objectives. The ability to understand, articulate and communicate an appetite for risk in a practical and understandable way is extremely important and we hope that our paper helps set out the basis of an approach with some tools and techniques to help. It is still a complex area however and our document is by no means the last word on the subject, so we look forward to receiving feedback from as wide an audience as possible".

The consultation period will close on Tuesday 31 May 2011. The consultation paper 'Risk Appetite and Risk Tolerance' can be downloaded from the IRM website at http://www.theirm.org/publications/risk_appetite.html

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Note to Editors

The Institute of Risk Management (IRM) is the world's leading enterprise-wide risk education institute. We are independent, well-respected advocates of the risk profession, owned by practising risk professionals. IRM passionately believes in the importance of risk management and that investment in education and continuing professional development leads to more effective risk management. We provide qualifications, short courses and events at a range of levels from introductory to expert. IRM supports risk professionals by providing the skills and tools needed to put theory into practice in order to deal with the demands of a constantly changing, sophisticated and challenging business environment. We operate internationally with members and students in over 90 countries, drawn from a variety of risk-related disciplines and a wide range of industries.

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