

<b>Client</b>	The client is a government owned European Utility Provider with an annual turnover of over €2 billion. Activities include power generation, customer supply transmission and distribution network and international consultancy. Until deregulation in 2005 it commanded a monopoly in its home market which continues to grow at one of the fastest rates in the developing world.
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<b>Project Name</b>	Executive Risk Training to Risk Management Committee
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<b>Project Start Date</b>	February 2008	<b>Project End Date</b>	February 2008
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<b>Industry</b>	<input type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance
	<input type="checkbox"/> Investment banking	
	<input type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management
	<input type="checkbox"/> Retail banking	
		<input checked="" type="checkbox"/> Corporate

<b>Category of Service</b>	<input type="checkbox"/> Performance measurement and monitoring	<input type="checkbox"/> Regulatory compliance and reporting
	<input type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process improvement
	<input type="checkbox"/> Specialised risks	<input checked="" type="checkbox"/> Training and people change
	<input type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation

<b>The Challenge</b>	<p>The Client's approach to risk measurement and management is established and conducted in accordance with the strategies set out by the Chief Executive Officer and his Executive Director Team, strategic objectives are determined for the most part by Stakeholders and in this case the client is 95% government owned.</p> <p>While the objective of the Risk Management Committee is to "oversee, direct and approve risk plans. Its role includes</p> <ul style="list-style-type: none"> <li>• Reviewing business risk assessments</li> <li>• Determining the consolidated position for the Group</li> <li>• Directing and sponsoring risk improvement in their business area</li> <li>• Representing their business area at the Risk Management Committee"</li> </ul> <p>The client required our assistance as part of a continuous process of improvement and specifically to reflect on how risk management in general is applied in the best practice companies, and in particular to consider what are the key elements of an effective risk management committee.</p> <p>The intention was to further develop enterprise capabilities as it relates to risk measurement and management. In this context the client sought to further the knowledge and experience of members of the Risk Management Committee so that they are best able to fulfil their respective roles and responsibilities (collectively and as individuals), and to fulfil their risk reporting responsibilities.</p>
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<p><b>Approach and Solution</b></p>	<p>Our approach was to provide to incisive, pragmatic and expert help to fulfil the client intention to adopt an enterprise wide approach to risk management, training was referenced to the COSO ERM Integrated Framework, specifically, the (i) Internal Environment, (ii) Objective Setting, (iii) Event Identification and (iv) Risk Assessment components of that framework.</p> <p>Training was co-developed with the Group Risk Manager to complement in-house competency, and to support information transfer.</p> <p>Training elements covered:</p> <ul style="list-style-type: none"> <li>• “the theory” - referenced to the COSO ERM Integrated Framework</li> <li>• “the practice” – providing practical insight for select concepts or references arising from “the theory”</li> <li>• “Frequently Asked Questions” – to be addressed by the Risk Management Committee as part of defining the future state of risk measurement and management at the Client.</li> </ul> <p>This included</p> <ul style="list-style-type: none"> <li>• How should the Board exercise oversight of ERM implementation and enhancement?</li> <li>• How does management define the organisation’s risk management goals and objectives?</li> <li>• Is there a defined methodology for calibrating performance with risk tolerance?</li> <li>• How are the risk management vision and objectives translated into the appropriate ERM infrastructure?</li> <li>• What is the relationship between risk assessment and risk management?</li> <li>• What steps does management take to enhance risk management capabilities?</li> <li>• How does management decide on appropriate enhancement capabilities?</li> <li>• What is the “portfolio view” and how it is practically applied?</li> </ul>
<p><b>Results and Benefits</b></p>	<p>Training enabled the client Risk Management Committee to</p> <ul style="list-style-type: none"> <li>• identify the right risks</li> <li>• accurately assess those risks</li> <li>• prioritise risks - to summarise/highlight the main risks from the wide contents of the risk register</li> <li>• to aggregate/consolidate Business Unit risks into an overall Group perspective on risk</li> <li>• to find a way to put in place processes and structures for effective risk management</li> <li>• to better embed these processes throughout the organisation and to ensure their relevance.</li> </ul>
<p><b>Software used</b></p>	<p>Not applicable.</p>