



Current challenges facing risk management teams

Mike Thornton, CRO AIA Australia

This presentation has been prepared for the 2016 Financial Services Forum.

The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the Institute and the Council is not responsible for those opinions.

Questions we'll be posing

- What are the current challenges facing risk management teams?
- How are companies responding to these challenges?
- What is your role in helping risk teams to move forward?

Ignore these challenges at your peril



Current challenges facing risk management teams

- Difficulty in articulating a clear value proposition
- How to most effectively engage with business leaders
- How to help businesses increase agility, and deal with the ever increasing pace of change
- Increasing the maturity of the three lines of defence
- Making tools intuitive, easy and engaging to use
- Creating reporting that genuinely adds value
- Being too focused on the here and now, and unable to look ahead
- Actively shaping the organisations risk culture and conduct



How are companies responding to these challenges?

- Many teams are transforming themselves
- Trusted adviser relationships are being sought with business leaders
- There is a need to raise capability, particularly with regard to leadership, commercial and communication skills
- Companies are redefining roles and responsibilities, and modernising their articulation of the three lines of defence
- Teams are expected to have a point of view and to be able to provide insight
- Teams are coaching leaders on behaviours expected in their teams

What is the role of actuaries in helping teams move forward?

- Is your review in the FCR sufficiently challenging?
- Do you know what good likes like?
- What are you doing to raise awareness of conduct risk, and to increase organisational agility?
- How can you partner with the CRO to raise expectations?
- Would your company benefit from more constructive challenge?
- Is risk and capital management sufficiently embedded in your corporate DNA?

What are you doing to rise to the challenge?