



Risk Management Practice Committee (RMPC) Q4 2023 Activities Update

A number of initiatives have been completed in the last quarter of 2023 by RMPC. From discussion of risk management hot topics with the industry, to engaging young actuaries, this is a summary of the key activities in the last quarter.

Voice of Risk

RMPC hosted its second Insight Session of the year on 12 October in Melbourne, with the theme of “Voice of Risk”. A panel of industry experts delved deep into the intricacies of risk management.

Stuart Bingham unravelled the regulatory landscape, emphasising proactive engagement with regulators. Steve Somogyi shared his expertise on deciphering emerging risk signals and the pivotal role of board management while Dr. Jolene Morse provided insights into modern challenges, championing a holistic approach to risk strategies. Their combined wealth of knowledge made for a truly enlightening session.

The insight session was well received that it was interactive and enjoyed by participants. The presentation pack and event video can be found here: [Video/Presentation](#). RMPC will host another in-person insight session in Melbourne next year, scheduled in Q3, 2024.

CALI CRO Forum

Several RMPC committee members attended CRO forums organised by CALI. Topics raised in the CRO forum were discussed and considered in RMPC meetings.

In particular, in light of the recent high-profile cyber-attacks targeted at a number of Australian companies, cyber risk management has been a key topic and is being prioritised by management teams. RMPC discussed and highlighted the importance of maintaining cyber security systems with the latest technology and aligning cyber risk management policies to industry standards. For example, more companies have been implementing multi-factor authentication in different parts of the business, which is considered, by the Australian regulators, as one of the most effective controls an organisation can implement to prevent cyber attackers from gaining access to systems.

Engagement with Young Actuaries

RMPC members attended YAAB Practice Committee (PC), and Working Group (WG) information session organised by YAPP on 19 October 2023, to introduce RMPC and ERM to young actuaries and university students. Information presented was related to career path, ERM courses details, as well as CERA credential requirements. Here are some slides presented at the event:

Who are we and what do we do?



RMPC initiatives:

- Part 3 ERM course has been released since 2022
- Practice Guide 6B - Actuarial Advice Regarding Risk Management 2023
- Producing Insights sessions, podcasts and actuarial Digital articles



- Ensure Enterprise Risk Management actuaries are well represented within the Institute.
- Promote alternative career pathway for actuaries, such as being a CRO.
- Become Chartered Enterprise Risk Actuaries (CERAs):
 - Meet the institute's requirements for using the designation 'actuary';
 - Complete, or receive exemption for, Course 7A - Enterprise Risk Management, which consists of the UK ST9 Examination and a two-day ERM workshop; and
 - Submit an Application for CERA Designation.

Possible Risk Management Career Pathway

- Financial risk:
- Insurance/Credit/Market (tradable/non-tradable)
 - Model developer/validator
 - Capital/Stress testing/balance sheet item
 - Regulators
- Non-financial risk:
- Legal and compliance
 - Reputational
 - Operational



ERM Education Faculty

The Risk Management Education Faculty (RMEF) continued to provide oversight for the ERM subject, delivered for the first time in 2022, and delivered to 70 students in Semester 1, 2023.

The RMEF also supports the Actuaries Institute's status as an Award Signatory to CERA (held for this subject since its inception in 2022), enabling eligible students who pass the subject to gain the CERA credential. In 2023, a CERA Global Review Panel completed its first review of the Institute's ERM subject.

The RMPC supported ERM students in various ways, including attending tutorials to share their experience and expertise, and providing exam preparation tips and advice.

ERM is delivered once a year and is being delivered again in Semester 1, 2024. You can learn more about the subject here: [Subjects and Syllabus | Actuaries Institute.](#)

Regulatory Update

RMPC has also discussed a number of updates from a regulatory perspective regarding recent publications released by APRA/ASIC, regulatory changes and speeches presented/letters issued by the regulator to the industry.

Some of the topics highlighted by the regulators in the last quarter include cyber risk exposure, the role of superannuation, the resilience of the Australian banking industry, and director/executive remuneration.