



# NEWSFLASH

May 2015

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## MESSAGE FROM THE PRESIDENT



**SHERALEE MORLAND**  
IRMSA President

Dear members,

In the world of work where I find myself, the work of the risk officer is ever changing. Much of it is because the extent of regulation and the demands thereof never let-up. For sure, risk officers are bound to be gainfully employed for that reason indefinitely as there is no let-up in sight. But more importantly the change is also required for reasons that simply just make good business sense.

The industry you work in may have very advanced risk management practices or perhaps you are in an industry that is evolving and hence risk management may just have commenced its journey. Key to all of this is the organisation's

## FEATURED ARTICLE



### **CORRUPTION: STRONG GOVERNMENTS AND ETHICAL LEADERS BRING SUSTAINABILITY**

By: Terrance M. Booysen and peer reviewed by Megan Grindell (Director: Carter DGF)

Irrespective of where you may live -- and no matter what your line of business and language may be -- universal thoughts most often expressed by people regarding corruption is obscured in darkness and negativity. Corruption is by no means something new; it has followed mankind throughout the ages and it continues to exist in various forms to include grand corruption, political corruption, corporate and administrative corruption, as well as petty and systemic corruption.

[▶ READ MORE](#)

risk culture. Understanding what the risk culture is in your organisation is essential to understand if there is work to be done to improve or enhance it. Perhaps risk culture is very good at senior management levels but not as much at more operational levels. Or perhaps the converse is true.

Determining how good or bad risk culture is may be tricky/new territory for some risk officers and for this reason we have a guest at our AGM to be held on 18 June to walk us through a proposed approach to assessing risk culture. From the observations on risk appetite, culture and framework effectiveness within globally systemic banks and the impact on organisational performance, consideration will be given to what the Risk functions in other sectors can learn from insights into behavioural learnings and the changes in financial institutions in response to culture (and in particular risk culture) post 2009?

Looking forward to seeing a record turnout at the AGM, which is always very well supported. Come to think of it, our AGM is quite unlike any other one I attend each year with great networking opportunities, an occasion to make your vote count for important appointments to the IRMSA Exco, a hearty breakfast, and, an interesting keynote address by a guest speaker.

Also for highlighting this month is that the Awards nominations are now open. I cannot stress enough how we need to recognise the excellent work being done by our Risk Managers in South Africa. So please reflect on someone you think worthy of the honour of these awards. Also very important is a risk initiative that has made an exceptional impact in your company that deserves recognition. It's a tremendously motivating factor to nominate your team or a team. Receiving a trophy and certificate to display proudly in your offices does remarkably good things for the confidence and acknowledgement of people going the extra mile as they go about the practice of sound risk management.

Preparation workshops for the first formal Board Exam 1 are being hosted by IRMSA for the candidates who will write on 30 June this year. Also noteworthy is that preparation has started for the pilot Board Exam 2, which will take place in November.

The Risk Lab is coming up and the programme was recently released. I hope you will find the programme appealing as every effort has been made for it to speak to the risks we are facing as business people and as individuals. This year it may very well be the most relevant Risk Lab that IRMSA have held. The Cape Town Risk Lab will take place again at the Vineyard Hotel. So for our Cape Town members join us at that beautiful venue please.... last year we had an amazing time with you.

## ARTICLES



### RISKSA: CONTINGENT BUSINESS INTERRUPTION FEATURE

**By: Volker von Widdern (Managing Director of Marsh Risk Consulting)**

**Question 1: Right now, what contingent BI losses are South African companies most exposed to? (What are the greatest global supply chain risks for SA companies?)**

I would tend to speak about a range or dimensions of exposures, rather than a list of the supply chain risks. The insurance process includes a risk ranking exercise that primarily considers upstream risks, but the downstream issues are a large contingent that may be left out. The upstream risks are more easily identified, as they relate to production and hazard factors. Downstream risks consider the likes of customer retention or loss, brand image and possible financial penalties, which are more difficult to evaluate.

[▶ READ MORE](#)



The annual conference programme has taken into account all feedback received from events and from the previous conference. Great ideas came from the feedback and a fantastic programme has evolved, with an enhanced exhibition this year. We are grateful to members for the comments and feedback we receive which are taken very seriously and go a long way to really informing the programme. We will reintroduce the public sector stream for a breakaway session because of popular demand therefor.

I am delighted to update you on the work that is being done that will target student membership. The student membership committee is in its early stages of development, with 3 meetings held thus far, and some great brainstorming eliciting some exciting ideas.

Although this is only the beginning of this exciting journey, the committee is starting to gain traction as there is more clarity on the main objectives. University students, being the primary focus of this committee (with plans to expand the target market at a later stage), there are discussions underway on how to attract, retain and keep their interest. Up until now, IRMSA has been primarily focused on the corporate world. To bridge the gap between those who are studying risk management with aspirations to enter the corporate world IRMSA have introduced this committee.

An age-old problem amongst university students is that the working world seems further than it should be and even though the ground work is being put in, they do not know how to make the leap to "the other side". That is why ultimately, this committee aims to paint a clear picture for students on what their possible options are, depending on their studies, and the paths that could be followed to groom themselves into industry professionals, and beyond. Learnerships, recruitment, mentoring and the like are opportunities that are being discussed.

Many marketing channels are being investigated on how to effectively reach this target group. With a dedicated Chairman, Chris Brits, you can rest assured that in the months to come, you can expect many creative and effective approaches being followed through, to represent IRMSA, in such a way that ambitious students start forming part of IRMSA's student membership.

And on that note, and in our quest for word class risk management in South Africa, I bid you farewell until next time.

Sheralee Morland  
**President**

**AON**



## AON UNVEILS LATEST GLOBAL RISK MANAGEMENT DATA

**By: Alicia Goosen (Business Unit Head: Financial Services Group at Aon South Africa)**

**Aon unveils latest global risk management data  
Cyber risk enters top 10 global risks for first time,  
while reputation damage is ranked top risk to global organisations**

For the first time since 2007, damage to brand and reputation has emerged as the top-ranked risk in Aon's 2015 Global Risk Management Survey, while cyber risk has entered the top 10 for the first time this year. The connection between these two risks has been felt around the world in 2014, as a rash of data breaches demonstrated the fragile nature of consumer trust in leading corporations.

[Click here to view full report:](#)



The graphic features several superheroes in a cityscape. At the top left is the IRMSA logo (The Institute of Risk Management South Africa) and a speech bubble saying 'proudly sponsored by MARSH'. The main title is 'SUPERHEROES RISK MANAGEMENT TO THE RESCUE'. A yellow starburst contains the text: 'Book before the 17th August to qualify for the Early Bird Special. Members: R 5 950 ex vat. Non-members: R 6 900 ex vat'. At the bottom, it says 'IRMSA CONFERENCE 17-18 SEPTEMBER 2015 GALLAGHER CONVENTION CENTRE' and a large 'CLICK HERE TO BOOK NOW' button.

## IRMSA TRAINING

Upcoming IRMSA Training:

### Operational Risk Management Training

08 & 09 June 2015

Johannesburg

[> BOOK NOW](#)

### Advanced Compliance Training

22 June 2015

Johannesburg

[> BOOK NOW](#)

### Business Continuity Management Training

23 & 24 June 2015

Cape Town

[> BOOK NOW](#)

## CRUYWAGEN-IRMSA RISK FOUNDATION RISK LAB



The poster features the South African flag with a splatter effect. At the top left is the logo for CRUYWAGEN-IRMSA RISK FOUNDATION. At the top right is the IRMSA logo, 'The Institute of Risk Management SOUTH AFRICA'. The main text reads: 'STATE OF THE NATION... OR NATION IN A STATE' in large, bold, red letters, followed by 'The Risks facing business in South Africa' in smaller red text. At the bottom right is the ZURICH logo with the text 'Proudly sponsored by ZURICH'. The bottom section of the poster is yellow and contains the text: 'The Cruywagen - IRMSA Risk Foundation Risk Laboratory', 'Johannesburg 15 July 2015', 'Cape Town 20 July 2015', and 'BOOK NOW' in large red letters.

## ANNUAL GALA DINNER & AWARDS CEREMONY



The poster is dark with white and gold text. At the top left is the IRMSA logo. At the top right is the BARNOWL logo, 'Business. Accountability. Assurance'. The main text reads: 'IRMSA Annual Gala Dinner & Awards Ceremony' in a large, elegant font, followed by 'VINTAGE GLAM SEEING TOMORROW THROUGH THE EYES OF THE PAST'. At the bottom, it says '30 OCTOBER 2015 CALLAGHER CONVENTION CENTRE'.

We are proud to announce the launch of the 2015 IRMSA Awards Programme.

This programme aims to acknowledge, encourage and celebrate excellence within the risk management industry.

At our Annual Gala Dinner and Awards Ceremony, that will be taking place on 30 October 2015, we recognise and reward South Africa's top risk management professionals who have made a significant contribution and/or the best risk management initiatives within different industries. The theme of this year's event is "Vintage Glam: Seeing tomorrow through the eyes of the past".

Each year the IRMSA Awards Voting Panel revises the voting process and criteria, to ensure that the IRMSA Awards Programme is both relevant and user-friendly.

• [Click here](#) to view the IRMSA Awards Process.

• Award Categories and Links

- Risk Manager of the Year - [Click here](#)

- Up and Coming Risk Manager of the Year - [Click here](#)

- Industry Award - [Click here](#)

Should you wish to contribute to this newsflash, please contact the IRMSA Team at [events@irmsa.org.za](mailto:events@irmsa.org.za)

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