

RISKPOST

Issue No 17. December 2016

The disrupted edition! – Awards, Development Day, Conference 2017, Post Nominals, and more

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Readers may have noted the delayed publication of this edition of RiskPost. As can be expected when our editor is a specialist in hazard management and response key Board members are from central government and many contributors to this magazine are in some way involved in the Kaikoura earthquake, which has and continues to take time and resource away from less pressing matters.

Anyway, here it is and we hope you will enjoy reading what we have. We had considered focusing this edition on natural hazard risk, however we have stayed with the original key theme – that being the recognition of the 2016 RiskNZ Award winners. While natural hazards are clearly top of mind for many members just now, we felt it important not to let slip recognition of the 2016 awards winners. Enjoy!

Risk Professional(s)! of the Year Award

Wellington's Fiona Cameron and Christchurch's Jacqueline Lyttle were named joint winners of RiskNZ's Risk Management Professional of the Year award. The joint award is unusual in itself, however what is remarkable is that the judges identified the same key outstanding attribute – namely their ability to impart risk management thinking across a broad stakeholder base.

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DISCLAIMER

RiskPost is the newsletter of RiskNZ Incorporated. RiskPost welcomes contributions from members of RiskNZ. Any such contributions do not necessarily represent the views of RiskNZ as a whole, although from time to time RiskPost will publish items setting out the views of RiskNZ on a particular topic.



SAI GLOBAL

RiskNZ gratefully acknowledges the support of our premier sponsors JLT and SAI Global

Risk Management Professional of the Year 2016

Continued from page 1

Fiona is the financial controller, group treasurer and risk manager for Infratil and Morrison and Co. During her time with Infratil she has elevated the profile of risk and improved the reporting and consideration of risk across Infratil's diverse range of subsidiaries. She has led the development of a strong risk management culture where risk is at the forefront of consideration for both operational issues and strategic objectives. Her successes include mentoring of colleagues and leading risk management activities at subsidiary companies to help embed risk management processes.

Fiona has overseen the enhancement of the groups externally provided risk reporting tool to provide information on risk to support decision making at management and board level and to provide a global view of the group's risks. Even minority interest subsidiaries have sought Fiona's help to develop appropriate risk management programmes. As the group treasurer, Fiona has other specialist risk responsibilities including the management of refinancing risk, acquisition financing and settlement risks. A recent period of acquisition and divestment activities at Infratil have required highly developed financing capabilities. She is responsible for the management of Infratil's own \$1billion retail bond programme and \$233 million of Perpetual bonds.

The chair of Infratil's audit and risk committee endorsed Fiona's nomination saying she provides invaluable help to evaluate and discuss risk subsidiary by subsidiary and on a group wide consistent basis. She has an in-depth understanding of the various businesses and a deep understanding of the key drivers of business performance. Fiona is a highly competent and capable risk manager who has driven the development of risk management throughout the group providing highly sought after risk management advice and support and continues to ensure that the group's risk management practices are always developing and adjusting to the ever-changing business environment.

Jacqueline is the senior risk and insurance advisor at the University of Canterbury in Christchurch. She initiated and championed the implementation of the university's risk management framework and has consistently and professionally raised the profile of risk management to the point that the senior management team now considers risk in every aspect of the university's activity. She provides advice and regular briefings on risk management matters at all levels of the University and provides essential information on risk to the audit and risk committee.

Jacqueline has been instrumental in the development of the university's emergency response plan and emergency management structures that played such an instrumental part in minimising the earthquake disruption to the university in 2011. She has led a number of real time response exercises to help enhance the preparedness of business continuity processes. Two publications co-authored by her and her numerous presentations nationally and internationally have shared the lessons learned from the 2010 and 2011 earthquakes and provided valuable guidance to the international university community.

She oversaw the negotiation of the university's earthquake insurance claims, one of the largest settlements in New Zealand history. She has introduced a travel management process to track university staff and students who travel to areas of concern so that the university can quickly identify and assist staff or students who may be affected when an event occurs.

University vice-chancellor Rod Carr endorsed Jacqueline's nomination saying the university has been able to mitigate the impact of a range of adverse events as a result of the work of the risk management team of which Jacqueline is the cornerstone. She has managed to bring about significant and sustained change in strategic and operational risk matters and is recognised as a thought leader in a challenging environment.

Save the Date!

17 -18 August 2017

Mac's Function Centre,

Taranaki St Wharf

WELLINGTON



Editorial – Geraint Bermingham

This issue of risk post rightly focuses on RiskNZ Excellence Awards and the Development Day. I attended the event and associated awards ceremony and had a really enjoyable and professionally valuable day interacting with a diverse range of people from many different backgrounds, catching up with old acquaintances, and celebrating the outstanding performance of those put up for awards this year.

Diversity!

What really struck me as the day progressed and yet another speaker offered an alternative and often surprising view, was the sheer diversity of the profession – that is in terms of the types of people involved, the breadth of the sectors covered, and the nature of the risk being managed.

Whether it was a perspective from central government, strategic thinking from a range of innovative undertakings, reflection on complex operational projects, or any of the many subjects discussed, what was evident is the profession touches on almost every aspect of decision making.

Congratulations are due!

Congratulations to those named at the RiskNZ Awards evening! It was great to see the span of organisations and hear of the wide range of projects and wide scope of the role of risk management as it is practiced today. The supreme category winners are illustrative of what it now takes to be successful in our profession for me the lessons were;

- 'Risk Professional of the Year' - the essential value of stakeholder engagement
- 'Emerging Risk Practitioner' - the need to develop deep expertise
- 'Excellence in Building Risk Management Capability' - the value of organisational commitment

Geraint

Stand-in editor

***The 2016
Development Day
reflected a diverse
profession – one
that operates in
almost all sectors
and at all levels and
temporal time
frame of
organisations***

***However, is the
profession being
seen as making a
difference – are we
getting cut through
to the real decision***



Focused on the
Upside of Risk

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Chair's Piece – Geraint Bermingham

Reflections from Development Day

For me, the striking takeaway from the 2016 Development Day was the inherent focus of the speakers on understanding risk to drive progress and success - but doing so in a context of rapid change. "Stefan Korn, CEO Creative HQ in his brilliant reflection on; Start-ups, innovation and disruption - embracing uncertainty and dealing with inherent risk, really captured the essence of this. "This general theme got me thinking. In an age where even the ability to operate at pace and to stay ahead of competitors is an essential feature of success in business - even despite a foundation of conservatism, the banks now accept the concept of a 'Minimum Viable Product' and hit the market fast despite the risk - what is the role of the 'risk manager'?

While the greatest risks to an organisation are probably; "being left behind by change", "being disrupted", or even "becoming irrelevant", how does the perception of the risk manager being the 'hand brake manager' play with executive teams and boards? In a word; 'poorly'!



Sure, there remains the important, if sometimes perfunctory processes around compliance, and internal audit and of course, health and safety reporting gets attention. But if the risk manager is to be at the top table, playing the role of the true Risk Officer, if they are to be part of the organisation's long-term success, then having one hand on the hand brake in the traditional sense isn't going to cut it. Sure, they need to keep an eye on the rear view mirror - check who's coming up fast from behind, but better to picture that the drift race driver's hand!

Enjoy the ride!



Tim's Time – Tim Jago

As I sit here endeavouring to devise a fresh approach to my regular RiskPost commentary I can't help but feel like the editor of the NZ Herald trying to piece together the New Year's eve edition where the temptation is to cast back on the year just gone, and write about the highlights. Its easy writing, but old news. So with 2017 just a few short weeks away my focus can be on the many projects and developments in line to benefit RiskNZ members.

Lets start with the biggest event planned for 2017 – **Conference 2017**, set for August 2017 in Wellington, and themed 'Repositioning Risk Management'. I am excited by the atmosphere already surrounding this event. Planning meetings have been occurring for a few months now, convened by Sally Pulley as conference leader. There is a real desire to make this conference something different, so a lot of effort has gone in to identifying the right conference organising team to work with us, lots of thought about venues, program structure, and more. There are some truly exciting concepts being explored and these will be shared with you early next year when we commence disseminating details of speakers, events, and registration arrangements. What I can share with you now is that we are working closely with JLT and SAI Global to bring to you a couple of international speakers of repute.

In mid January I will be circulating the first of **two surveys of RiskNZ members**. The first survey is designed to explore the needs and aspirations of RiskNZ members, and the results will inform board decision making around the 2017-18 workplan and in particular what programs and services RiskNZ needs to deliver to members to add value to NZ's community of risk managers. Whilst the door is always open to advice and suggestions from individuals, this survey does help create a 'majority viewpoint' that will help weight the organisation's efforts over the next couple of years.

Our second survey is effectively a repeat of that devised by Geraint Bermingham in the lead-up to our 2014 conference, to gain insights to how NZ's risk management community perceive the current global, national and domestic (household/personal) risk agenda. We are excited to be collaborating with Dr Bridgette Sullivan-Taylor and Auckland University to have our survey results included into her research and teachings. Bridgette will be contextualising the survey findings in her presentation at our August conference.

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Commencing in January we will be consolidating many routine communications to members in **RiskNZ-Fortnightly**. As the name implies, we intend sending all members a fortnightly round-up of need to know and nice to know items. It will be bulletin styled – headline items mainly, with links where necessary. We will continue to occasionally send one-off email communications where timing dictates this is necessary, but our intention is to de-clutter and lift the value of communications and engagement with members.

Your **website** is undergoing a bit of evolutionary change. We are re-ordering the page layout to bring news and event information to the forefront, activating some links to kindred organisations to propel matters of interest in your direction, and gearing up for improvements around the membership and CPD pages.

I anticipate early in 2017 RiskNZ will announce arrangements for bringing the IRM's FoRM - **Fundamentals of Risk Management** - training to NZ. Nigel Toms has done a big piece of work to prepare a very robust RFP procedure that will see RiskNZ selecting (from an existing shortlist) a training provider to deliver FoRM locally. I am presently negotiating with IRM on costs, IP ownership, royalties and related matters. The FoRM is being given a legal casting eye.

Elsewhere in this RiskPost your chairman, Geraint Bermingham, proposes a way forward to determine if and how **professional recognition** is introduced in 2017, which can give members the ability to use post-nominals to denote their membership of RiskNZ. I must say from a personal perspective it will be pleasing to bring closure to this piece of work that has been on and off my desk for very nearly three years. I am extremely confident it's the right move for RiskNZ and will be a source of pride and satisfaction for members wanting it to be known they are affiliates of NZ's peak sector and professional body for those involved in risk management.

Speaking of membership, as we go to print (do we still say that in a digital age?) we are embarking on **a drive to grow RiskNZ membership**. Increasing numbers of NZ enterprises are elevating risk management to be a vital executive function and the challenge is to bring these organisations and risk managers into the RiskNZ family. We are personalising our approach, so if you know of an organisation or individual that will potentially benefit from membership please let me know (tim@risknz.org.nz) so that I can reach out to them.

I also urge you to think across your networks about who is doing outstanding work in the risk management field, with a view to having them put forward for consideration in the **2017 RiskNZ Awards of Excellence**. Nominations are open now for the 2017 awards, given the awards ceremony will be two months earlier in August to coincide with Conference 2017. Drop me an email tim@risknz.org.nz with your suggestions and I will connect with them.

So a busy two months ahead, and lots of work being done to deliver a dynamic Conference 2017 in August. A big vote of thanks to the many volunteers making this all possible, and specific mention of the workload being carried by your elected, volunteer board members. They have delivered Development Day 2016 and the annual Awards of Excellence, put the wheels under Conference 2017, worked up the framework for ongoing CPD and member recognition, implemented a new communications strategy, improved the membership value proposition, evolved RiskPost, and much more.

Nominations for the February elections for vacancies on the RiskNZ board close on Thursday 22 December (details of nominees will be circularised separately). With obligatory retirements we will be farewelling Geraint Bermingham after six progressive years as Chair. Secretary Ross Wells has announced his retirement after 7 years. Sharyn Bramwell retired mid year due to work commitments. With a couple of new faces on the board in 2016, the incoming 2017 board will certainly have a fresh look about it. But that said, considerable institutional knowledge and an obvious appetite for the work programs in place and no shortage of energetic thinking!

Have a safe and enjoyable (dare I say it risk free!) Christmas and New Year's break. I look forward to working with you in 2017 to deliver RiskNZ's program of activities.



A reminder of why we do what we do!

How your ITDR?

How's your IT testing regime?

Considered the scope of your insurance lately?

Reflected on what underpins your business –

day by day, hour by hour, minute by minute?



Published on: Wednesday, September, 7, 2016, 11:25 AM | **Source and image:** USA Today

Delta Airlines confirms to have lost USD 100 million in revenue as its computers suffered an outage in August, resulting in 2,300 cancelled flights.

The outage also led Delta to contact each affected passenger, offering refunds and other options such as travel and accommodation coupons.

Rahul Samant, Delta's chief information officer said on Tuesday (6 September) - "The entire leadership team is committed to ensuring that kind of event doesn't happen at Delta again."

Other airlines have also suffered a computer outage due to antiquated equipment and failure of backup systems. British Airways, for example, encountered check-in problems on Monday (5 September) at London's Heathrow and Gatwick airports.

Risk NZ Awards 2016

LIFE MEMBERSHIP – TONY YUILE

Tony Yuile was honoured with RiskNZ Life Membership at the 2016 Awards of Excellence on 15 September. Tony joins founding Chair Roger Estall as one of just two members to receive our highest honour.

Tony's service to the organisation spans 16 plus years. He was an original board member when the then NZ Society for Risk Management was established in 2000, and after six years as a director continued his involvement at Board level as Treasurer for a decade before retiring earlier this year. In addition, Tony has sat on conference organising committees, overseen the Wellington based paid secretariat function since its inception many years ago, and been the organisation's membership registrar.

Those attending the Awards of Excellence ceremony enthusiastically welcomed Tony's life membership, with Executive Officer Tim Jago noting that to be nominated one's contribution to the organisation needs to have been considerable not just in length but also in depth, and the nominee needs to be held in high regard both internally and externally. Tony ticks all those boxes.



DISTINGUISHED SERVICE AWARDS

Congratulations to the recipients of RiskNZ's first Distinguished Service Awards. **David Dunsheath** (below right) and **Mike Wood** (below left) have both been members of RiskNZ since its inception, and both have served lengthy terms on the Board as well as sitting on conference organising committees and representing the organisation on external panels and technical committees.

Mike served seven consecutive years on the Board, three as Chair. David was Secretary to the Board for six years.

Mike was unable to attend the Awards ceremony and arrangements are being made to present his DSA at the earliest possible opportunity.



EMERGING RISK PRACTITIONER OF THE YEAR – MATT BILDERBECK

This award is for Risk NZ members engaged in risk management activities in New Zealand. It recognises both recent achievement and future potential in risk management professionals who are still in the early stages of their career.

Matt has worked as an analyst for Navigatus Consulting since early 2011. He quickly displayed a natural ability to conceive relatively simple conceptual models out of complex risk related problems and to model advanced analysis routines and systems. In mid 2012, he was assigned the task of supporting the development of a major safety case in the aviation sector. Despite no prior exposure to aviation, Matt quickly became familiar with the aviation terminology and the concepts that underpin advanced navigation technology. He undertook the daunting task of designing an analysis model able to handle the complexities of what was to prove to be a two-year process to achieve regulator approval.



The judges were impressed with Matt's significant development and achievement and the contribution he has made to the objectives and opportunities of his clients. In an increasingly complex world he has provided clear and meaningful analysis on which clients can base critical decisions. These achievements reflect very favourably on the risk management profession and have earned him the Emerging Risk Practitioner of the Year award



**Winners of the 2016
Awards of Excellence**

EXEMPLAR

Grant Avery

for the book "Project Management, Denial, and the Death Zone"
Education Infrastructure Service, Ministry of Education
for a refresh of its risk management thinking and framework

COMMENDED

**CH2M Beca,
Watercare Services,
McConnell Down/ HEB
Joint Venture**

EXCELLENCE

Watercare Services Limited
*for Building Risk Management
Capability*

Directing risk management in organizations - Matthew Leitch

Earlier this month the Centre for Risk Research published a guide to risk management aimed at board directors and others who oversee the development of risk management in organizations. It's called "Directing risk management in organizations: Guidance from the Centre for Risk Research" and is freely downloadable from the Centre's website:

<http://www.southampton.ac.uk/risk/publications/guidance.page>

Although not a regulatory document or a 'standard', this guide is a real alternative to COSO's ERM Framework and ISO 31000:2009 for directors wanting helpful advice and a useful tool that works at their level.

It is hoped that this guidance will be downloaded by tens of thousands of people over the next few years, helping its users while also providing fresh ideas to people who write more guidance and regulations in future.

"Directing risk management in organizations" makes space for a variety of valuable initiatives to improve risk management, not just the usual bureaucratic risk register processes.

At the core of the advice there are two sets of evaluation criteria. The seven Scope Criteria allow users to find large gaps in their risk programmes quickly. The six Approach Criteria allow users to identify some of the most common problems with risk initiatives, such as idealistic plans and vague thinking about human behaviour.

The advice is illustrating using some simple examples, many from work done by the Centre's team. I particularly like the photograph of Autosub3, an Autonomous Underwater Vehicle (i.e. robot submarine), used for missions under polar ice sheets.

I was heavily involved in this guide and working with the other experts in the Centre was a real pleasure as well as tremendously productive.

Kind regards

Matthew Leitch
The Ridgeway Expertise Company Ltd

New Members

RiskNZ welcomes the following new Members. Contact details are included in the Members' section of the Website.

Individual Members:

- Stephen Divers, General Manager, Full Fleet Service & Maintenance Ltd
- Robert Feasey, Quality & Safety Manager, Hawker Pacific NZ Ltd
- Stephen Hunt, General Manager Flight Operations, Air New Zealand
- Darren Evans, General Manager Group Security, People Safety & Emergency Management, Air New Zealand
- Ross Whiteman, EPMO Manager, Healthcare NZ
- Ian Rich, Principal Advisor – Risk Management, Ministry of Education
- Mark Rogers, Chief Executive Officer, Paul Smith Earthmoving
- Josh Jacobsen, Director, Desert Road Project Management
- Geoff Tait, PhD Student, Waikato University
- Steve Rielly, Manager, Exafern Limited

Membership of RiskNZ is open to any person of good character or an organisation engaged in or with an interest in the practice, study, teaching or application of risk management. RiskNZ is keen to attract a wide range of Individual and Corporate members representing all the different aspects of risk management knowledge and practice. This includes those with direct involvement in the field and those with a personal or community interest.

Apply online at <http://www.risknz.org.nz/membership/how-to-join/>

Post-nominals

An open letter to all RiskNZ Members

The Chair's Piece on page 4 of the July 2016 Risk Post referred to the matter of RiskNZ awarding post-nominals, saying :

However, concerns were raised in the ensuing discussions at the AGM, that as proposed, the Board alone would make the determination of and bestow the status of Member and Fellow. That concern carried the day and the proposal was therefore not accepted. However, the lively discussion was informative and valuable and has enabled alternative post nominal frameworks and processes to be developed.

Unfortunately, as we will illustrate below, this account does not adequately reflect either the history or the nature and depth of concern expressed to date regarding the question of whether RiskNZ should award post-nominals (and, related to that, a system of ongoing mandatory Continuous Professional Development (CPD) requirements).

Quite properly this is a sensitive issue for members because of the potential for such schemes to create de-facto employment qualifications may be used to serve either as facilitators or barriers to employment and promotion.

For this reason, there are many members who would not wish to see such a system introduced unless the scheme for award of post-nominals:

- had the highest level of integrity
- was based on the recipient having a substantial level of demonstrated risk management competence judged according to defensible and transparent criteria, and
- had the informed support of a majority (or super-majority) of members.

The introduction of a scheme that did not meet these criteria would not only fail to advance professional standards, but would ultimately detract from the good name of RiskNZ.

It is suggested therefore that in any revised proposal:

- vii. Post-nominals of any kind are offered only as a means of recognising competency and ongoing completion of CPD requirements.
- viii. The purpose of establishing a scheme of post-nominals should be explicit and clear and relate directly and explicitly to the Society's objectives. Costs and benefits must be clear.
- ix. The scheme for periodically determining criteria for post-nominals, evaluation of candidates, award of post-nominals and administrative costs should be developed after wide-ranging structured consultation of the proposed scheme with:
 - RiskNZ members
 - employer and other organisations outside RiskNZ of the type intended to benefit from being able to draw significance from the holding of post-nominals
 - educational and national professional bodies with experience in the operation of schemes for the evaluation and award of post-nominals and mandated continuous professional development.
- x. All aspects of the scheme meet high standards of transparency and integrity (both administratively and regarding technical expertise) and be supported by individuals or agencies with recognised expertise in such schemes
- xi. Following consultation, the final version of the scheme as described in (iii), together with an independently audited report on the results of consultation, would be circulated for consideration of members
- xii. Following circulation as in (iv) the proposed scheme would be put to and approved at a General Meeting (either AGM or Special General Meeting) of members – preferably by a super (66%) majority of those voting).

History of proposal for RiskNZ post-nominals

Risk Post articles

It is instructive to compare the actual history of the Society's endeavours to introduce post-nominals in light of the above recommended criteria (which are the normal criteria for a professional organisation to follow in such a significant development) and with the account in the Chair's most recent report.

In the November 2015 edition of *Risk Post* it was reported that Nigel Toms had announced at the RiskNZ October 2015 development day "the RiskNZ Board's intention to move forward with the implementation of post-nominals for RiskNZ members to demonstrate their risk management capability and expertise ..." [emphasis added].

In the same edition we were told that the "Board met on 12 November to take a fresh look at the 12-18 months ahead. Plans see RiskNZ implementing a structured CPD programme, consulting the membership on an accreditation framework and introduction of post-nominals [emphasis added]...".

Continued on page 11

Taken together, these points made clear that members would be *consulted* about post-nominals of a type that would carry some professional weight.

An article in the March 2016 of Risk Post reiterated this message, saying:

At the 2015 AGM members were informed of the work being undertaken to look at a suitable risk management CPD and qualifications framework, tailored to the needs and aspirations of RiskNZ members. We updated in October 2015 that RiskNZ will look to introduce a system of post-nominals later this year (subject to AGM approval) and the introduction of CPD requirements to be completed every two years to retain entitlement to the post-nominals [emphasis added]. The detail of these new arrangements will be advised in May.

The May 2016 Risk Post then reported:

The AGM on 8 June will see an update [on CPD] presented, together with a Board recommended amendment to the constitution to pave the way for post-nominals to be introduced alongside a CPD framework.

AGM papers

However, in sharp contrast to the foregoing, notes supporting the notice of motion in the AGM papers said:

In more detail, these recommendations will mean:

1. Implement post-nominals (a set of letters after your name) to denote membership of RiskNZ and professional status;

a) Associate status (Associate of RiskNZ – ARNZ) to be awarded to:

** all individual RiskNZ members*

** the nominated representative (individual) for Corporate members*

b) Associate status will be maintained by remaining a paid-up member of RiskNZ.

c) Award of ARNZ will be effective from 1 June 2016 on receipt of payment of membership fees

In other words, what was proposed was not in any way consistent with what members had been advised was the Board's intention – firstly because the proposed ARNZ post-nominal did not require demonstration of “risk management capability and expertise”, and secondly because it did not also include “CPD requirements”.

There was widespread concern that a post-nominal ‘ARNZ’ would be ‘awarded’ (but in reality ‘sold’) on the basis of payment of an annual fee and a declared interest in risk management -but without any test of the individual's capability or qualifications. Such a scheme could never meet the criteria that had been repeatedly signalled to members.

Several members present at the AGM predicted that this would also dilute or even eliminate any significance that might otherwise be placed on other RiskNZ post-nominals which were competency based.

There was real concern that this proposal would have the appearance of RiskNZ seeking to use post-nominals to raise revenue and/or increase membership rather than for the purpose of building professional standards. Such concerns may go beyond those members present at the AGM.

Because of the profound importance of the introduction of post-nominals to all members (and indeed, all practising risk management professionals and the organisations that employ them), very wide-spread consultation is needed. It is instructive to consider what this word means.

“Consultation”

Communications to members thus far explicitly indicate an intention that there would be “consultation”.

As any competent risk management professional knows (and as is also explained in HB 327:2010 *Communicating and Consulting about Risk* [section 1.3]) there is a clear difference between communication and consultation.

Successful **consultation** of a type appropriate for a professional body such as RiskNZ should meet the established criteria set out in HB 327 and paragraph 5.2, ISO31000. Those consulted should include all members but also experts and other professional bodies with experience in developing and implementing post-nominal and CPD schemes and at least a cross-section of organisations for which the availability of practitioners with post-nominals is expected to be of significance.

It is suggested therefore that members should receive a well-prepared document that sets out the objectives and detail of the proposal as already described above, including the process used to develop the proposal. This background document should include the results of consultation to date.

Members should be asked for their views on specific key features of the proposed scheme, with the opportunity to provide commentary on any other matter.

As explained in HB 327, it is necessary to carefully plan such consultation from the points of view of both the specifics of what is being asked (to ensure clarity, for example), and the logistics for consideration *and reporting* of feedback.

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Criteria for the award of post-nominals and CPD

Unlike the usual situation in which post-nominals intended to signify competency are awarded, there is neither an agreed body of knowledge nor a proven system for examination of such knowledge on which RiskNZ could base a system of awarding post-nominals or specifying the necessary attributes of a mandatory CPD.

This situation is exacerbated by the fact that in the field of what is often described as 'risk management', there is diversity as to the meaning of key expressions, ideas and methods and also a wide diversity of necessary skills. As an illustration of this, a paper to be published in the Journal of Risk Analysis says this about just one aspect of risk management – namely risk analysis:

The [Society for Risk Analysis document on foundations of risk analysis] covers issues, such as risk analysis and science; the risk concept; risk management principles; uncertainty in risk analysis; confronting deep uncertainties, surprises, and the unforeseen; reliability, validity, and trustworthiness of risk analysis methods and results (including suggestions for how to make them more trustworthy); and the future of risk analysis; meeting the challenges. These are topics in which all risk analysis professionals should have a strong competence.

(Aven, T. (2016). What Defines Us as Professionals in the Field of Risk Analysis? *Risk Analysis*)

Risk management, as is currently generally (but not exclusively) practiced in New Zealand, goes much wider than risk analysis as do the necessary skill sets. For example, the above notes regarding 'consultation' are only a summary of what should be known in this field, but it is well understood that ineffective consultation with stakeholders is a common cause of risk management failure.

Our review of research and current practice across a wide range of professional organisations reveal that professional organisations implement post-nominal systems on top of credible comprehensive education and certification programmes, continuous professional development systems that all work with codes of ethics and conduct, and discipline processes. Lord Benson outlines in his "Criteria for a group to be considered a profession" that the governing body must set the ethical rules and professional standards that are to be observed by the members and that these should be higher than those established by the general law.

Also his fourth criteria states that "the rules and standards enforced by the Governing Body should be designed for the benefit of the public and not for the private advantage of the members."

It is not clear from the information made available from the Board whether the magnitude of the task of establishing criteria in a meaningful way has been fully appreciated. Certainly there are no comprehensive criteria available to members to consider at this juncture.

In our view, this is a task that would be best addressed using a process similar to development of a NZ Standard – that is, the structured formation of a project committee with a mix of stakeholders and experts drawn from a wider catchment than the Board, followed by development and publication (to members) of a scoping document and then a series of real or virtual meetings in which the proposals are developed, supported by appropriate research.

Only through this type of methodical approach can criteria be developed (for both the award of post-nominals and the specification of CPD requirements) that will enjoy both internal and external respect and support.

Conclusion

A more transparent and measured approach is needed to progress the development of a scheme for the award of post-nominals and establishment of CPD requirements and this should be underpinned by a clear statement of purpose. The approach should provide for well-designed internal and external consultation and validation of the scheme by individuals and organisations with relevant expertise in the development and administration of such schemes.

Only at that point, should formal approval be obtained via a well-informed General Meeting (AGM or SGM) of members to whom has been provided both the proposals and a report on the consultation.

Such an approach is not only consistent with good governance but is also essential if RiskNZ post-nominals are to have practical value and enjoy respect across the sectors in which post-nominal holders operate. Without this approach, RiskNZ post-nominals are unlikely to be sustainable.

Integrity of all aspects of the process is thus of great importance. *Proposals to exchange post-nominals for subscription payment cannot meet this criteria and, if still under consideration, should be abandoned.*

It is respectfully suggested therefore, that the Board have regard to the above views. Hence, before going further, it is suggested that it publish a work plan and obtain feedback from members. This plan should follow the suggestions made earlier in this letter to enable the development of a well-designed scheme for post-nominals and associated CPD to be issued to members for consultation.

The plan should provide for careful consideration of comments and refinement of the scheme as appropriate and then submission to members for consideration at a General Meeting, together with a report on the consultation.

Although a development process as outlined in this letter will take a little time to complete, the importance of ensuring any scheme for post-nominals is of the highest quality and integrity and has strong active support across the membership cannot be overstated. Any scheme that the Society introduces will directly affect the future professional and employment wellbeing of risk management professionals and thus must be the product of sound and proper practice.

Yours sincerely

Chris Peace, David Dunsheath, David Thompson, Mike Wood, Steve Vaughan.

Response to open letter re Post Nominals

RiskNZ Chairman – Geraint Bermingham

The Open Letter was addressed to the Editor with a request to publish in RiskPost. Given the importance of the subject and that some of the points made related to various views of the Board's actions over a period of time, the Editor forwarded a copy to the Board.

The Board have spent some months reflecting on the text to understand the root of the points made and those not involved in routine RiskNZ and other activities and initiatives such as planning for Conference 2017, have put quite considerable effort in to reworking the original proposal to refine the process and ensure a high integrity Post Nominals framework – but one appropriate to the nature and scale of RiskNZ – can be developed and put to the members.

As Chair I have also reached out to each of the signatories of the letter to hear directly their views and the underlying concerns. As can be expected of individual professionals, each had somewhat differing points to make and expressed a range of personal thinking and experiences. If I could sum up my own perception of the underlying theme of the views put – it would have to be 'a perception of risk of proceeding with the initiative' – as proposed and even at all.

While all initiatives have risk, the greatest risk in a fast changing world is standing still!

In his Executive Officer piece's in RiskPost, Tim has on more than one occasion reflected on the role of the professional or learned society in the modern world. He has reported many times on his discussions with the officers of various other professional bodies and how all are having to review and redefine their role within the context of their own professional sectors and membership base.

RiskNZ was set up 16 years ago – reflecting the needs and thinking of the profession of risk management as perceived at the end of the last century. At that time and since, the subject of Post Nominals was debated and put aside for various reasons – but interestingly the idea has never been abandoned and members surveys as well as dialogue with would-be members continue to show a strong wish for such a scheme.

However, life and the world move on and it is often easier to find reasons not to take real action than it is to do so. It is my strong view that in the age of LinkedIn, Facebook – or simply instant professional knowledge via Google and the like, to remain relevant a professional society must offer more than a remote debating chamber, more than a casual network, more than a source of information – we must offer a genuine alternative to these 'virtual professional groupings' – we must offer tangible value beyond the virtual world.

A key value add can be a 'shared and visible professional identity' – as associates (lower case 'a') of a professional body that recognises a shared professional practice, delivers 'real world' networks and genuinely enables a shared self and visible identity for each member. Post Nominals offer public and personal professional identity.

The much revised Post Nominals framework is close to ready for presenting to the membership. It is designed offer a framework of integrity and matched to the scale of RiskNZ. This will be published early next year with the intent, that following a period of comment, a proposed Post Nominal framework be put to formal vote as soon as practical.

RiskNZ News and Information

Management Board and Officers

The Management Board and officers of RiskNZ are:

Chair: Geraint Bermingham

Executive Officer: Tim Jago

Administration Officer: Erin Killian

Secretary: Ross Wells

Treasurer: Gary Taylor

Board Members:

Brian Potter

Hilary Walton

Sally Pulley

Miles Crawford

Nathanael Sterling

Gary Jerome

RiskNZ's Website

RiskNZ's website is located at www.risknz.org.nz

As part of this year's business plan initiatives, our website is being constantly upgraded. Although we have made every endeavour to ensure all aspects of the website are functioning as they should, if you do notice any broken links or other gremlins, please notify the Administration Officer at adminofficer@risknz.org.nz

The website is your RiskNZ's shop window, and a major risk management information resource, so please take the opportunity to browse the new site. We welcome your feedback on it.

As a financial member of RiskNZ you are entitled to access the members-only section of the website. For this you need a user name and a password. If for any reason you do not have the password or have forgotten it, please contact the Administration Officer.

Social networking – Follow us on:



<https://nz.linkedin.com/groups/RiskNZ-3945531/about>



<https://www.facebook.com/RiskNZ-178021535579772/>



<https://twitter.com/risknz>



Information for Contributors

The next edition will be published in March 2017. RiskNZ strongly encourages all members to contribute items for this newsletter on practices, developments or issues in your particular area of risk management. Contributions for the next issue should be sent to editor@risknz.org.nz.

Articles are welcome at any time; please contact editor@risknz.org.nz if you wish to propose an article.

RiskPost provides a membership service for the display of notices and advertisements, if aligned with RiskNZ's objectives.

Notices may describe an activity or service, or advertise a risk management vacancy. Notices must not exceed 150 words of plain text, inclusive of all contact and reference details. Pricing and application form for both RiskPost and on-line advertising services, are available from the Administration Officer:

adminofficer@risknz.org.nz

For further details on RiskNZ's submissions and advertising, please contact the Administration Officer: adminofficer@risknz.org.nz

RiskNZ,
PO Box 5890,
Wellington 6140

Groups within LinkedIn

- ComplianceX - <http://www.linkedin.com/groups?gid=865117>
- Conference Board of Canada ERM -
<http://www.linkedin.com/groups?gid=2561072>
- Enterprise Risk Management -
http://www.linkedin.com/groups/Enterprise-Risk-Management-82279?trk=myg_ugrp_ovr
- Enterprise Risk Management Association
http://www.linkedin.com/groups?gid=89308&trk=myg_ugrp_ovr
- Governance Risk & Compliance -
http://www.linkedin.com/groups?gid=95089&trk=myg_ugrp_ovr
- ISO 31000 – Risk Management –
<http://www.iso.org/iso/home/standards/iso31000.htm>