

Working seminar. n. Educational event for people who think for themselves, stimulating experience providing fresh ideas, great questions, and space to think. An entertaining and useful day.

“Critical evaluation of risk registers”

A working seminar devised and presented by Matthew Leitch

Ever suspected a business risk analysis was confused but couldn't say why clearly enough? Want new ideas for improving risk assessment in your organisation? Wary that people hold back when they contribute to your risk register?

If any of those apply you have the two things needed to benefit from this seminar: (1) a motive, and (2) a mind of your own.

Fresh ideas but this is not training

This event is not training. It is a seminar with cases, exercises, and ideas designed to supercharge your ability to evaluate, critically, a risk register or similar risk analysis. You should find you can pinpoint fundamental flaws in a risk register – flaws that others have overlooked. And a register tells you a lot about the whole risk management system.

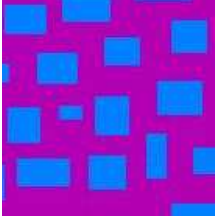
The harsh truth is that many risk registers today have one or more serious technical flaws and the psychology of risk and uncertainty is far more difficult to manage than most people realise.

The seminar includes what is almost certainly the hardest hitting collection of critiques ever used in risk management. I've seen nothing else like it.

- Prioritisation pitfalls.
- Signs of concealment: psychological effects including uncertainty suppression.
- Classification and definition problems.
- Clear thinking about “upside risks”
- Risk appetite problems.

Even if you don't agree with all my ideas the cases and group discussion will help you think for yourself and learn from others at the seminar. And it will be fun. That's the point of a working seminar – you work, you get ideas, but you don't have to agree with anyone.

Expect to be tired but inspired by the end of the day. Read on for more details.



Illustrative outline content

Here's the sort of thing you can expect.

WARM UP

- Introductions and reasons for attending. Mention the bees in your bonnet about risk registers and risk management generally.

CASE 1: Construction project

- Quiet opportunity to think about the example risk register.
- Group discussion of weaknesses in the risk register.
- Brief presentations and activities on specific issues and their implications:
 - Late quantification
 - Understatement of risk through rating probability and impact
 - Unstated empirical support

CASE 2: Operational risk

- Individual analysis and group discussion followed by brief presentations on specific issues:
 - The “we fail to...” syndrome
 - Internal focus
 - Lack of new actions and new perspective

CASE 3: A charity

- Individual analysis and group discussion followed by brief presentations and activities on specific issues:
 - Suppressed items
 - Items put in for political reasons
 - Downside only

CASE 4: A university

- Individual analysis and group discussion followed by brief presentations and activities on specific issues:
 - Missing action types

- Ineffective monitoring actions
- Why RAG reporting can be misleading

QUIZ TIME

- “Fingers on buzzers” as we look for blunders in official guidance and standards for risk management, including Basel II, COSO ERM, the AIRMIC/IRM/ALARM standard, and more.

CASE 5: Basel II

- Individual analysis and group discussion followed by brief presentations and activities on specific issues:
 - Failure to attempt definition
 - Classification mistakes

CASE 6: COSO internal control matrix

- Individual analysis and group discussion followed by brief presentations and activities on specific issues:
 - Risk gaps
 - Control gaps
 - Systematic understatement of controls

Variations

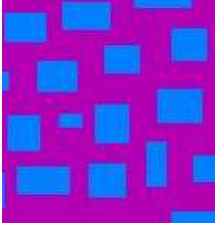
The seminar will proceed at the pace we need so there is no guarantee that all sessions will be completed, and the order of the day may be varied to suit particular participants. (However, papers on all the material will be available.)

If you are interested in an in-house presentation of this seminar I can replace the usual cases with some drawn from your company's experience to make them more relevant.

The Working Seminar format

It's not training. Training is where I tell you what to do and what to think and you accept it from me because I am an expert and you are not, and because what I am saying has the status of “generally accepted”.

“Working seminar” is my name for an educational event to suit people who are already experts and like to think for themselves. It's also ideal for



material that is insightful but not yet generally accepted.

It's "working" because you spend a lot of the time thinking, not just listening. There are cases, exercises, and group discussions. Activities are not normally done in teams because social contact is distracting, but once completed they stimulate the ensuing group discussion.

It is a "seminar" because new ideas are injected, within the activity materials, my brief presentations, and of course by participants.

The pace is dictated by the group, not a schedule. Breaks are taken when needed and convenient.

I try to keep things entertaining and, occasionally, surprising, with variations in the pattern particularly in the afternoon.

The story behind the content

It must have been 1999, or perhaps 2000, when I first saw the risk register of a leading UK plc. (I was an auditor with PricewaterhouseCoopers at the time.) I was shocked. I thought it was terrible. The next one I saw was even worse. Now these documents had my attention!

I can't be the only person to have noticed, but it is no surprise that I have.

I'm a little obsessive about writing clearly and logically; it used to be my job. What I saw was not logical or clear. It was a mess of vague and unordered items.

I'm also enthusiastic about applying discrete mathematics and was aware that people can make big errors with mathematical types. And now I was seeing another one, as basic as mixing apples and pears.

Finally, I've always been interested in cognitive psychology and was greatly impressed by studies of human bias I learned about at university and afterwards. These risk registers had enough material for a whole conference.

Since then I've seen more risk registers and every one has highlighted new problems. Even internationally respected standards on risk management and other "official" guidance contain fundamental logical flaws.

Since leaving PricewaterhouseCoopers to consult and research independently I've become increasingly convinced that there are powerful forces at work in the human mind that make open and honest discussion of risk and uncertainty hard.

The content of this working seminar "Critical evaluation of risk registers" reflects all this. I've worked hard to reduce all the psychology and mathematics to common sense, and leave room for participants to air their own views.

The presenter – Matthew Leitch

For more information about my work please visit one or both of my main commercial websites:

www.internalcontrolsdesign.co.uk

www.managedluck.co.uk

Intended audience

This event is designed for:

- Audit managers and heads of audit
- Risk managers and directors
- Directors (especially non-executive directors), trustees, council members
- Standard setters

Practical details

Duration is one day, 10am to 4pm, with rest and refreshment breaks.

Group size is normally 5 to 15 people. No need to bring laptops. This event will boost your mind, not your in-tray.

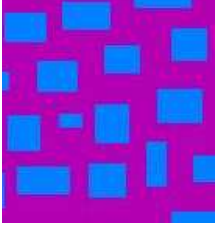
If you have a professional qualification and need some sort of document to confirm your continuing professional education points I can provide that.

For dates, locations, and prices please check other marketing material or contact me about an in-house presentation.

Contact details

matthew@internalcontrolsdesign.co.uk

tel +44 1372 815 856



Comments from previous participants

“Critical Evaluation of Risk Registers” was first presented on 1st March 2005. All participants agreed on their feedback forms that the event had been “thought provoking” and “fun/enjoyable.”

In addition, several provided the following comments. (Not all participants are allowed by their employer’s to give named comments so they are identified by their initials only.)

“Extensively prepared, excellently facilitated, and stimulating day amongst leading risk management theorists and practitioners.”

Mike Bartlett, Group Risk Manager, Lend Lease.

“This seminar goes ‘beyond’ the risk register, challenging many of the underlying principles which we take for granted.”

M.H.

“This seminar was very thought provoking and stimulating. It encouraged me to renew the crusade!”

Philip Spinks, Audit and Risk Manager

“Your seminar cut through all the nonsense and in a spirit of great delight revealed some of the idiocies which go on.”

Robert Bruce, journalist and writer

“It helped enormously in sharing best practice across different sectors of the economy, and having access to practitioners.”

A.S.

“Thought provoking and enriching.”

Alex Hindson, AstraZeneca

“In an area which lacks good guidance, the opportunity to share ideas and experiences is invaluable.”

Graham Oliver, Head of Risk & Audit

“Really good interactive workshop – got the to root of many important issues. Risk registers of the world watch out!!”

Nicki Dennis, Head of Risk Management Development, BSI

“Excellent opportunity to share ideas and thoughts with a wide range of sectors who have similar objectives for risk management, in a stimulating and interactive way.”

Evelyn Kaluza, Risk Manager, Oxfordshire County Council

“Unique and open approach to enhancing attitudes to risk management and key support mechanisms.”

David Alexander, Head of Audit & Risk