



“a fresh approach”

Zing Consulting Limited is a professional services organisation established to help businesses improve performance by supporting strategy, risk management, finance and change management.

The consulting arm of Zing specialises in the provision of financial and strategic leadership, together with project and change management.

Our “Zing” focus is to be the leading provider of independent consultancy services to both the financial services industry, and to other associated commercial businesses. In order to achieve this Zing employs consultants with an established track record within their own fields of expertise.

As an independent business, Zing is not aligned to specific consultancy models or to particular technology solutions. It is this independence which allows us to offer objective advice and services individually tailored to meet our client’s requirements. This allows us to support and reinforce an organisation’s business strategy and overall risk framework.

Based in the Channel Islands, but with established networks in other locations, Zing aims to service the needs of small and large organisations around the world.

In order to view our services and gain a better understanding of how we can help you, feel free to visit our website.

www.zingcl.com

Operational Risk / Enterprise Risk Management

Operational Risk has traditionally been defined as:

“The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”

However the Operational Risk Management function in most large organisations actually incorporates more of an Enterprise Risk Management approach. This approach is changing the face of risk management in financial service companies, and encouraging the demise of the silo orientated method of identifying risks.

Enterprise risk management deals with risks and opportunities to create or preserve value. It is defined as follows:

“Enterprise risk management is a process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

This definition reflects certain fundamental concepts. Enterprise risk management is:

- A process, ongoing and flowing through an entity;
- Effected by people at every level of an organization;
- Applied in strategy setting;
- Applied across the enterprise, at every level and unit, and includes taking an entity level portfolio view of risk;
- Designed to identify potential events affecting the entity and manage risk within its risk appetite;
- Able to provide reasonable assurance to an entity’s management and board;
- Geared to the achievement of objectives in one or more separate but overlapping categories - it is a means to an end, not an end in itself;





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Problems in the financial services industry

There are still many problems in our industry with regard to Risk. They include:

- Poor or incomplete terms of reference for various committees and functions which oversee risks;
- A lack of direction from the Board of Directors, including a lack of board approved policy;
- An inability in any organisation to identify risks and to assign an effective risk owner to those risks;
- Once identified there is still an inability to find solutions to mitigate the risks;
- Industry is still afraid to capture information about operational losses. We are also unable or unwilling to capture information on near misses;
- It is still the larger organisations which take risk seriously enough to employ a dedicated full time or part time resource.

How Zing can help you with Risk Management

In response to the specific problems above we can:

- Draw up a risk governance structure appropriate to your organisation, which will incorporate terms of reference for the committees and functions required to oversee risks;
- Draft a policy for adoption by the Board of Directors by working in partnership with your risk team;
- Carry out a risk assessment of your organisation to identify risks. Following discussions and analysis of roles and responsibilities, assign an effective risk owner to those risks;
- Investigate methods of mitigating the risks, drawing on the business knowledge of both your senior staff and your general employees;
- Analyse your current operational loss database, and your policy around identifying operational losses. Recommend amendments to policy as necessary and additional ways of capturing the information. Investigate the trends present and make recommendations to reduce the number and quantum of operational losses in your organisation;
- Put in place procedures for recording near misses, including training to relevant staff to explain why monitoring is so important from the point of view of ensuring the reason for the near miss never results in an actual loss situation;
- Work closely with your business to co-source the Risk Management function on either a full time or part time basis;
- Take your organisation from a silo risk management to an enterprise risk management approach.

How your engagement with Zing will benefit your business

There are many business benefits to be derived from good enterprise risk management. Some of these are:

- Understanding and being able to challenge your risks, as well as understanding the risk appetite of your organisation as a whole;
- Meeting regulatory and industry standards in respect of monitoring and analysis of events;
- Better understanding of risks, leads to better mitigation of risks, leads to a healthier, lower risk and more profitable organisation;

By engaging with Zing you will gain the benefit of the many years of finance, operations, risk and compliance experience within all sectors of the financial services arena.

Who to contact if you want to discuss this further

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