AAE Risk Management Committee Meeting – 20 April 2023, Bratislava
File note of telephone conversation between AAE and IRM (Socrates Coudounaris) on 13 April 2023

As agreed at the RMC meeting on 6 October 2023, I spoke to Socrates Coudounaris to find out more about the Institute of Risk Managers (IRM) and their activities in the area of operational risk management. An aim was to see if there was scope for collaboration between AAE and IRM, e.g. on a research topic of mutual interest.

Socrates was Chair of IRM in 2018-19. He is still an active member of IRM, e.g. he appears to be a member of its nominations committee and of its disciplinary committee (if there is a need for this committee to meet).

IRM has around 8,000 members split roughly 50% UK / 50% non-UK with some chapters in mainland Europe and e.g. USA and India. It is a professional body, typically requiring a mixture of exams and experience to achieve a relevant professional qualification. For example, it provides a certificate after 2 exams, fuller membership after 6 exams and a fellowship qualification after a further experience requirement is met. It also has a "senior executive route" to fellowship for CROs and Non-Executive Directors, involving a panel interview. This reflects the de facto experience such individuals are likely to have gained in order to reach this level of seniority within the industry.

A few years ago, the Institute of Operational Risk (IOR) became a member organisation of the IRM. In effect, this was a merger of the two organisations. Both are based in Fenchurch Street, London. IRM has a special interest group in the area of operational risk management which is the main conduit from IRM into IOR. A core role of IOR is to provide training and qualifications. This includes a Certificate in Operational Risk Management (CORM). IOR members/certificate holders mostly work in banks (as banks tend to have significant numbers of employees working in this area).

CORM focuses on topics like Risk and Control Self Assessments, Key Risk Indicators, Dashboards etc., i.e. IOR members/certificate holders are perhaps more orientated towards control-type activities versus actuaries who are perhaps more orientated towards quantitative-type activities.

IRM has partnered with organisations like the Cambridge Judge Business School and (some years ago) the Institute and Faculty of Actuaries to produce joint research insights or for sponsorship purposes.

Socrates kicked off an IRM CRO/Non-Execs Group during the pandemic, but this Group doesn't currently seem to be as active as, say, the IFoA equivalent. I said I would try to put him in contact with the chair of the IFoA CRO Group.

I provided Socrates with information about the AAE and said that I would share a summary of our telephone conversation with members of the AAE RMC on 20 April in Bratislava, with the aim of identifying whether there was scope / appetite for collaboration. I explained the volunteer nature of much of the AAE's current activities.

Malcolm Kemp, 13 April 2023

N.B. Socrates also referred to FERMA, which is also active in Europe. It has some insurance risk professionals in the UK but its membership is primarily corporate risk professionals such as those working in manufacturing. Its members are sometimes responsible for buying insurance cover for such firms.