



Insurance Internal Audit Group

Venue

Deloitte, 2 New Street Square,
London EC4A 3TR

Programme Outline

- 09:30 Registration
- 09.50 Welcome from IIAG Chair
- 10:00 Kicking the tyres – Internal Audit's MOT for SII risk framework
- 10:35 Risk v Reward – Why smart people don't always make smart decisions
- 11.15 Coffee break
- 11.30 What lies beneath – the unseen risk in our data
- 12.15 Internal Audit practices in financial services
- 13.05 Open forum
Update from the IIAG Good Practice Development Group (GPDG)
- 13.15 Lunch

Speaker profile

Katie Clinton

Katie leads KPMG's Internal Audit function for the insurance sector in the UK Specialising in insurance. She is responsible for delivering Internal Audit and extended assurance services through a combination of secondment, outsourcing and co-sourcing arrangements. Katie is a UMIST Management Science graduate.

Kim Stephenson

Kim's combination of experience from business practice and psychology has paved the way for his subsequent work in writing and broadcasting on the management of personal finance and subsequently into advising on the art of financial decision-making. A Chartered Occupational Psychologist and ACII member, Kim's thoughts have reached a wide audience via BBC radio, The Sunday Times and The Independent. He has also written a book on money management, *Taming the Pound*.

Ralph Baxter

Ralph's career has spanned 30 years in the energy and technology sectors. He is currently the CEO of ClusterSeven which he founded. Ralph is a former committee member of ISSIG, the information security section of the Institute of Internal Auditors (IIA). He holds a First Class degree in Natural Sciences from Churchill College, Cambridge University.

Nicola Rimmer

Nicola has worked in Internal Audit for over 13 years. Most of this time has been spent within the financial services sector although she has also worked for a professional services firm. She is currently an Audit Manager at Friends Life and is researching for a PhD (see right). Nicola is the Deputy President of the Chartered Institute of Internal Auditors.

iiag Programme 16th March 2012

❖ Kicking the tyres – Internal Audit's MOT for the Solvency II risk framework *Katie Clinton, KPMG*

SII represents great change for the insurance industry as a whole and will, for many, require a significant adjustment in their attitudes to governance, risk and capital management as well as reporting procedures. Internal Audit has a key role to play in ensuring that companies have in place a fit-for-purpose risk management framework that meets these requirements. During this session we will look at the drivers for change, the implications for Internal Audit, and how they will provide assurance over the framework now and in the future.

❖ Risk v Reward - why smart people don't always make smart decisions *Kim Stephenson, Stephenson Consulting*

Although the tendency for we humans is to apply probability metrics to various scenarios and justify decision-making on this premise, in reality the science does not work. Life is chaotic, complex and has single events which don't fit with the maths of global analysis. The trouble is, by the time the bad stuff has happened, the decision-making process has long since ended and the same flawed logic continues to apply. But there is an antidote which Kim will share with us in this very timely and engaging presentation.

❖ What lies beneath - the unseen risk in our data

Ralph Baxter, ClusterSeven

As part of the SII external review, the FSA have made it clear that they expect to be able to rely on an independent Data Quality Assessment having been performed by each firm to confirm that the correct control environment exists for all Internal Model data. However, they are aware that substantial data operations take place outside core systems in locations such as spreadsheets and CSV extracts. The challenge, explored in this presentation, is 'How can Internal Audit meet the requirements of the FSA Data Audit when the reviewers need to demonstrate the "Appropriateness, Accuracy and Completeness" of Actuarial data management'

❖ Internal Audit practices in financial services – an academic investigation *Nicola Rimmer, Friends Life*

Recent regulatory developments have highlighted the importance of an independent internal audit function and they will impact the way in which we need to operate in the future. While there has been a market presumption that Internal Audit in financial services is ahead of the field, little research has been conducted which corroborates this. In this session we will discuss Nicola's research into current Internal Audit practices in financial services organisations and how they may change as a result of regulatory impacts.

IIAG NOTICE BOARD

Dates for your diary

25 May 2012

7 September 2012

30 November 2012

Thank you all for continuing to send us your feedback and topics for future events. The IIAG Committee has continued to arrange events in 2012 based on ideas we have received. Thank you for your support and we look forward to seeing you at our next event.

Any queries about the IIAG and its activities contact any member of the IIAG Committee at Contact@iiag.org.uk or visit our website.

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