

Overcoming Hurdles to a Collaborative Excellence

Matthew Dredge

Group Head of Internal Audit
FWD Group Management Holdings LTD

Aprilyn Escucha

Head of Internal Audit
FWD Philippines

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55th Annual Convention

Actuarial Society of the Philippines

13-14 November 2014, Bellevue Resort, Bohol



At FWD, we take ON the challenge of changing how Filipinos feel about insurance.

With technology at the core of how we do business, we enable your lifestyle, your world to move ON no matter what comes along.

Whatever adventure you are ON, you can live life to the fullest!



Who is FWD?

FWD Life Insurance Corporation is part of FWD Group, the insurance business arm of the private investment group, Pacific Century Group.

FWD Life Insurance Corporation is the first foreign life insurer to be granted a license under the new Philippines Insurance Code.

FWD's business spans across Hong Kong, Macau and Thailand and Philippines, offering life insurance services, as well as general insurance and pensions operations in Hong Kong. FWD also has brand presence in Indonesia.



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Hello...

Ako po si Matt Dredge

Ako ay lumaki sa Estados Unidos

I'm April Escucha

Sampung taon akong nagtrabaho bilang Public Accountant

I'm from Iloilo, Philippines

Limang taon akong nagtrabaho sa industriyang pangkasiguruhan

I've been working in Insurance for almost 10 years

Ako ang ulo ng pangkat ng FWD Internal Audit

I am the Head of Internal Audit at FWD Philippines



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Today's collaboration – what is it?

- What is it?
 - It is working with each other to do a task and to achieve shared goals
 - It is a recursive process where two or more people or organisations work together to realise shared goals
- Fundamental to collaboration is trust



What does this look like today?



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Today's collaboration – what are they saying?



Could you tell me which are the 7 dreadful sins in risk management?



Luxuria
Acedia
Invidia
Gula
Superbia
Avaritia
Ira

- I Excess (Luxuria)
- II Inefficiency (acedia)
- III Faulty management (Invidia)
- IV Disorders ... in capital levels (Gula)
- V Uncovered counterpart (Superbia)
- VI Too complex ... (Avaritia)
- VII Extreme scenarios (Ira)



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Today's collaboration – what are they saying?



"Its best not to tell the auditors anything unless they ask"

"Internal audit is not flexible and doesn't understand"

"Auditors are nit-pickers and fault-finders"

"Internal audit are the police"



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Today's collaboration – challenges

- Build coordinated risk assessments and assurance
- Do more with less
- Add value



- Strategic auditing
- Prevent the next big risk event
- Align stakeholder expectations and talent development

How can Internal Audit both assist and independently evaluate risk management activities?

Can collaborating help?



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Today's collaboration – the big paybacks?

- Increased agility – responding to the velocity of risk timely
- Improved assurance – improved efficiency and effectiveness
- Improved Board oversight – effective risk management
- Value add – insightful and objective reporting aligned to strategy
- Lowered audit effort – less time justifying work and results
- Less employee turnover – happy workplace / happy home



Where do we start?



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Framing: Risk Management and Internal Audit



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Framing: RM and IA - who does what?



- **Risk management** - “a process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization’s objectives”
- **Internal Auditing**- “Internal auditing is an independent, objective assurance and consulting activity.”



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Framing : RM and IA – key questions

- Are critical risks identified?
- Is there a holistic view?
- Is there a common language?
- How are resources spent?
- Could you provide more comfort with less resources?

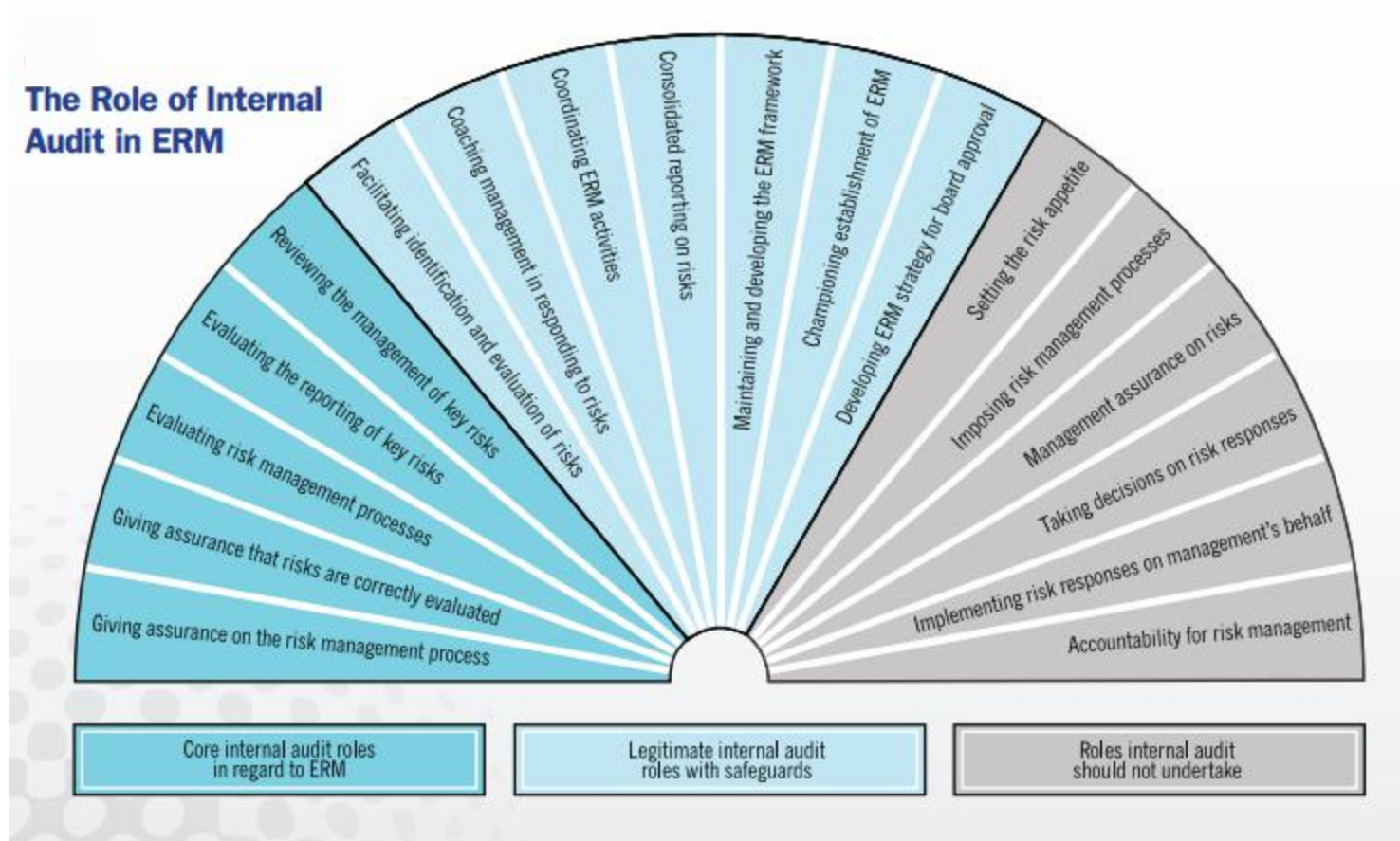


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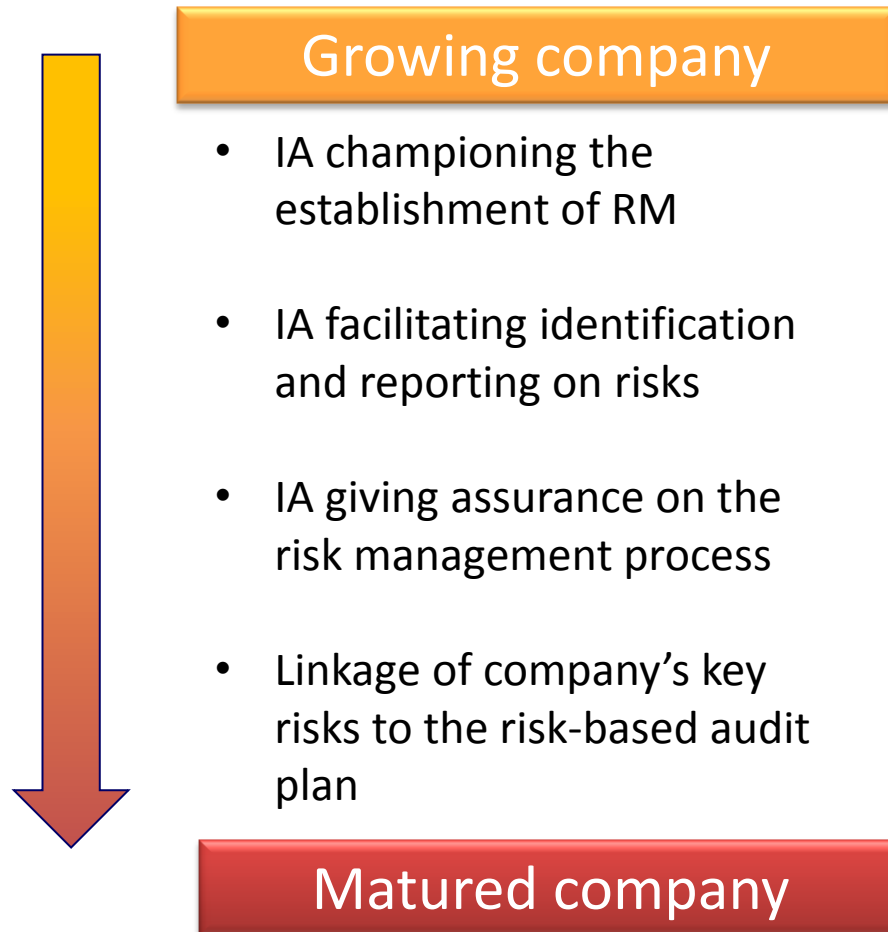
Framing: RM and IA - how internal audit adds value to risk management?



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Framing: RM and IA - how internal audit adds value to risk management?



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Success factors



- ✓ Clear roles
- ✓ Common language and framework
- ✓ Transparency
- ✓ Trust



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THANK YOU



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