



RISKNEWS



Issue 4 July, 2007

Dear members,

Year 2007 is full with interesting event and activities. Up-to-date MARIM has managed to organize one seminar, a technical visit to KL International Airport and the Risk Management Conference. MARIM also participates in two half-day seminar organized by the Malaysian Society of Organizational Safety and Health (MSOSH). Members enjoy the benefits of discounted fees as well as new knowledge presented by the experts.

We would like to remind members regarding the 16th Annual General Meeting (AGM) which will be held on the 22nd August 2007 at the Wisma TNB, Petaling Jaya. In this meeting, we will be voting for new committee members that will lead the association for the next two-year term. We encourage members to attend to be able to fully participate in the election. Members who are unable to attend may send the proxy form.

On the same day, we will be organizing a seminar on Fraud Risk Management. This seminar is a good platform for networking as well as updating members with the current issues in the field of risk management. We appreciate if members could help us in promoting the events to their colleagues as well.

The strength of our association depends heavily on members support. We hope that we can get a big crowd for the AGM this year. MARIM wants to record its thanks and appreciation to MNRB Holdings Berhad for sponsoring the MARIM-MNRB Student Award. We hope that we can get more participation from the corporate entities to support our efforts in promoting continuous education in risk management.

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MARIM'S UPCOMING EVENTS

Event	Date	Venue
1. MARIM's 16 th AGM	August 22 nd , 2007	KL
2. Tea Talk 2/2007 : Fraud Risk Management	August 22 nd , 2007	KL
3. Annual MARIM's Bowling Tournament	TBA	TBA (KL)
4. Risk Manager Award 2007	November 2007	TBA

FEATURE ARTICLE

By: Norlida Abd Manab, UUM

RISK MANAGEMENT CULTURE: Part 2

Effective risk management is the basis of successful companies, regardless of size or industry sector. Good risk management requires both a strong risk culture and a robust enterprise-wide program. Culture influences people on how they perceive risks, attitudes and the way they handle the risks (Theil & Ferguson, 2003), shapes and coordinates employees behaviour in order to achieve the objectives (Berenbeim, 2004). As a new trend, enterprise-wide risk management (EWRM) needs organization culture change from independence and closed culture to dependence and openness culture.

Importantly, risk culture is the way management and every staff in the organization feel about risk by recognizing that feelings, attitudes and perceptions toward risks which will influence on how it is managed in order to pursue their business objectives (Rossiter, 2001). In addition, according to Rossiter, risk culture is vital because it relates to people where "the most successful organizations are those can capture the hearts, minds and energy of their employees toward a common goal".

Organization culture also has been found as a barrier for managing and exploiting risk (Tillinghast-TowersPerrin, 2002) and a challenge toward EWRM implementation (Ernst & Young, 2003). Kleffner et al. (2003b) found that an organization structure and the overall resistance to change were among the reasons why EWRM could not be successfully implemented. EWRM program needs for introducing openness organization culture where managers and employees have to report the risks faced by their department. Unfortunately, some of them are reluctant to do so in order to conceal their weaknesses (Levine, 2004).

One of the most effective and efficient methods to evaluate the strength of risk culture is through conducting a survey that, by capturing everyone's views on their risk culture and environment, holds a mirror up to the organization (Rossiter, 2001). A survey by Greenwich Associates reported that most of the respondents (83%) viewed organization culture as a success factor in risk management (Lenckus, 2004). This is because the "right" culture can support the successful introduction of the "right" risk management program that is linked to the achievement of organizational goals and value creation.

In a current study on the EWRM implementation of public listed companies (PLCs) in Malaysia found that 50 percents of the responses said that organization culture was among the main barrier to effectively implement the risk management program. Most of the responses agreed that a strong organization culture increased the level of risk management awareness (98.2%), improved communication (94.5%), enhanced sense of responsibility (87.3%) within organization; and used same risk management language across entire organization (87.3%).

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SPECIAL REPORT

“THE RISK MANAGEMENT CONFERENCE 2007” Scaling New Heights in Risk Management

April 9th – 10th, 20073
Prince Hotel & Residence, Kuala Lumpur

MARIM has organized the second Risk Management Conference last April which has successfully attracted participants all around Malaysia with diverse risk management backgrounds. Practitioners, scholars, managers, regulators and students have had the opportunity to gather and exchange ideas during this 2-day national level conference. This conference is realized by ASLI (Asia Strategic & Leadership Institute), that has been entrusted by MARIM as the organizer; with a strong support from Universiti Utara Malaysia, International Federation of Risk and Insurance Management (IFRIMA) and Federation of Asian Pacific & African Risk Management Organizations (FAPARMO).



*Mr. Abdul Wahab and MARIM's
Chairman during the conference*

It was indeed an honor to have Mr. Abdul Wahab Jaafar Sidek to officiate the conference and to deliver the Industry Address. Mr. Abdul Wahab is the Chief Executive Officer of the Minority Shareholder Watchdog Group (MSWG), a Group Advisor of BDO Binder and also as an Adviser of Pacific Alliance Capital Sdn Bhd. Over the last 36 years, he has accumulated vast experiences and extensive knowledge in the full range of public accounting services covering audit, accountancy, taxation, secretarial, consultancy and insolvency issue covering a wide range of clients.

In his speech, he addressed the future of Risk Management, exploring some possibilities about setting new goals and standards, a better understanding and the tools to boost understanding on the issue of uncertainty.

The conference was segmented into several informative sessions, initiated by the Industry Address and followed by a panel discussion session. There were several panel discussion sessions held, covering a variety of topics such as Enterprise Risk Management, Pandemic Risk and Weather Worries, etc. In addition, several parallel sessions have also been conducted to focus on more topics ranging from safety management to terrorism issues.

From the academic contributions, there were several academic papers presented in the conference; with sole purpose to share their overview and study on the risk management environment. Presentations from the experts covered various topics such as

- i. Achieving KPIs through Risk Management by Dato' Dr. Kamaruddin Sharif. Principal Fellow, Faculty of Economics and Business, UKM
- ii. Terrorism and Security Issues by Dr Haji Mohd Rasid Husin, Assoc. Prof., Dept. of Financial Services & Risk Management, UiTM
- iii. Audit Pricing and Risk Management, Mr. Rohami Shafie, Lecturer, faculty of Accountancy, UUM

The conference was a great success. It was a good avenue for participants to create network and to bridge the gap among practitioners, scholars and regulators. This is vital in order to develop a strong foundation of Risk Management culture in Malaysia and to cooperate in enhancing awareness and knowledge in the subject matter. We look forward to organizing more successful conferences in the future. We welcome individuals, corporations or government agencies to collaborate with us in promoting risk management in Malaysia.

“Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing.” ~ Denis Waitley 1933

RISKNEWS @ EDU

MARIM-MNRB STUDENT AWARD CEREMONY 2007

By : Chiang Pong Lee & Clare Ng

Hard work never goes unnoticed. It is true indeed for six aspiring and enthusiastic students of Bachelor of Risk Management and Insurance (BRMI) program from Universiti Utara Malaysia (UUM). These students are nominated as the lucky recipients for *MARIM-MNRB Students Award* held in Prince Hotel and Residence on April 9th, 2007.

All awards were presented by the *Chief Executive Officer of Minority Shareholder Watchdog Group (MSWG)*, Mr. Abdul Wahab Bin Jaafar Sidek, who is also the keynote speaker for the conference. Each student won a medal, certificate and cash prize. The award was sponsored by MNRB Holdings Bhd. Ms Noorazimah Tahir who is the Vice President, Corporate Communication was also present during the award giving ceremony.

The Best Academic Achievement awards were given to students who excelled in their academic performance. Tan Ai Hong and Chiang Pong Lee outstood the rest for academic session 2004/05 and 2005/06 respectively. The Best Co-Curriculum Achievement award is given to students who are actively involved in the co-curricular activities. The awards was won by Siti Naemah Md Zain and Lim Lee Shyan for the 2004/05 and 2005/06 batches.

All work and no play make jack a dull boy. Hence, the Best Overall Achievement award are rewarded to students who have a balance in excelling in both academically and actively involved in co-curricular activities. Mohd Firdaus Abdul Rahim and Ahmad Aspari outshone the rest of the BRMI students of 2004/05 and 2005/06.

This award was initiated by MARIM in order to motivate students for their high achievement and excellences in studies and to boost up their interest in risk management. It is hoped that the award can attract more students to specialize in the field of Risk Management and Insurance.

1.



The 2005/06 Award Winners

2.



Best Student : Ahmad & Firdaus

3.



Siti Naemah with her award

OTHER EVENTS JOINTLY-ORGANIZED WITH MSOSH

	HALF-DAY SEMINAR 2/2007	HALF-DAY SEMINAR 3/2007
<i>Date & Venue</i>	April 25 th , 2007 TNB Theater, Wisma TNB, PJ	May 9 th , 2007 TNB Theater, Wisma TNB, PJ
<i>Title</i>	Fire Safety Systems	Gas Safety
<i>Guest Speaker</i>	Puan Khalijah An acknowledged trainer of safety and health wide experiences in training both local and foreign staffs in occupational safety & health	Mr. Harry Tan A Gas & Welding safety Specialist with 25 years experiences in training, including safety product business management; PPE ranges manufacturing at both Australia and US
<i>No. of Participants</i>	50 participants (7 were from MARIM)	30 participants (4 from MARIM)
<i>Benefit(s)</i>	Discuss current issues and share experience among each other	Discuss current issues and share experience among each other. Participants are exposed to some practical and experimental issue regarding gas safety.

MARIM @ A GLANCE

HALF DAY SEMINAR 1/2007 CRISIS MANAGEMENT DURING A MAJOR INCIDENT: MORE EFFECTIVE WITH A GOOD CRISIS COMMUNICATION STRATEGY

March 19, 2007
TNB Theatre, 20th Floor, Wisma TNB, PJ

A half day seminar has been successfully conducted by MAXIS communication, attracting about 59 participants (mostly those who are involved in RM & Safety Dept.) This 2-hour seminar focused on latest issued related to crisis management and crisis communication strategy.

It was a great opportunity to have Dr. Goh Moh Heng (Executive Director for Disaster Recovery Institute Asia) as the guest speaker for the event. The seminar was a good avenue to discuss extensively about proactive measures that could be implemented by Business Continuity/Disaster Recovery Managers to manage crisis communications at the height of incidents. Dr. Goh also discussed about current issues in crisis management and shared his vast experiences and knowledge on the subject matter.

We would like to congratulate the project leader for this successful event. Thanks to Mr. Bernard, we are able to generate income from this seminar. We would also like to convey our thanks to Mr. Chairman, who is always willing to arrange and led us the TNB Theater as our meeting place. We will keep on organizing events as our effort to educate and raise risk management awareness, be it to our members or to the public.



RISK MANAGEMENT TECHNICAL VISIT TO KLIA

April 4th, 2007
KL International Airport

MARIM has had the opportunity to organize a technical visit to KLIA, which is an event exclusively opened to members. This event was hosted by the Malaysian Airport Berhad (MAB), with tremendous efforts put into it by the project leader; Mr. Megat Farizal Mohd Zamri. This one-day visit attracted about 30 participants at no fee at all.

Visitors were taken on a full-tour of KLIA area; which was beyond the check in, departure and arrival areas. There was also a visit to the Airside Safety Unit and the KLIA Fire Station. This tour was indeed a fruitful event where visitors were able to gain a first-hand experience on the operations and Risk Management Practice in KLIA. Practices on prevention and control were also shared with the visitors and on-the-spot briefing provided a better overview of the operations at KLIA.

CONTRIBUTION OF ARTICLES IS WELCOME

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