

Resolution 4: IOR to become part of the IRM Group

Members recognise the constraints which for many years have limited the growth, activity and sustainability of the Institute of Operational Risk.

In addressing these constraints members resolve that the Institute of Operational Risk (IOR) become a part of the Institute of Risk Management Group (IRM). The Institute of Operational Risk brand will be maintained and an appropriate leadership group will be created from a combination of the existing membership of the IOR and the IRM. This new leadership group will develop the strategies to further the discipline of operational risk and the mission statement of the IOR.

Notes in support of Resolution 4:

Members will be aware that prior Councils of the Institute have regularly referred to the constraints and challenges from a funding model reliant upon membership fees and largely resourced by unpaid volunteers. Over the last 3 years this constraint has increasingly become an issue as the need to fund the development of our Certificate in Operational Risk Management (CORM) and subsequently run the relevant educational and student processes, in addition to the running of the membership element, has considerably increased the demands on the Institute and its Council.

The fact that the Institute has maintained its existence, relevance and voice is testament to the work of its volunteer members, whether on Council, Chapters or Sub Committees. The Institute values this commitment but recognises that the churn of office bearers continues to increase as the demands placed on volunteers continues to increase and conflict with professional and family commitments. It is also true that the current model means that the Institute has increasingly been unable to effectively deliver on its strategic objectives which has direct impacts on membership retention and hence the Institute's long term viability.

As Directors of the Institute, your Council has a responsibility to run the Institute effectively and sustainably. It is Council's view that the current model cannot support these objectives. As a result, over the last 12 months, Council has considered a number of options for long term funding and support. Many of these options were unviable due to the not for profit nature of the Institute or were unattractive due to the loss of control or costs involved.

The Institute's Council are however able to unreservedly and unanimously recommend to members that the Institute of Operational Risk joins with the Institute of Risk Management (IRM) and becomes a member of the IRM Group. (www.theirm.org).

The IRM has existed since 1986 and is a large multinational, not for profit body, with a mission and vision aligned with that of the IOR. While its genesis was in Insurance it has grown to become multi disciplined and works with industry, academia and government bodies to develop sound practice and qualification in risk management practices. It is the recognised strategic partner for many international banks and firms in financial services. It has a global membership of around 6000.

The IRM are willing to support the IOR in a number of ways, not least in providing funding either in cash or kind as well as supporting the aims of the IOR, including the marketing and development of our CORM and education programmes.

Specifically Council believe the relationship will allow us to:

- Improve membership benefits and make a more compelling argument for membership
- Increase membership growth and presence in both current and new geographies
- Develop wider and deeper relationships with industry, academia and global regulators
- Create thought leadership research, white papers and conversations
- Lead the development of the discipline creating or influencing sound practice and standards
- Develop a range of training and educational solutions demanded and led by practitioners and organisations
- Create the professional body that the Institute has long aspired to be

In creating this opportunity the IRM also recognise that the IOR brand is strong and its membership is already one of influence and creativity. As a result the IOR brand will remain, with its own leadership, supplemented by resources from the IRM, representing its membership and developing strategies to meet our goal of being the leading voice for our unique discipline. It is important for the IRM that we maintain this independent voice.

The resolution recognises that agreeing to become a part of the IRM Group is the start of a journey. There is still much to agree during a transition period, including the specifics of; merging the legal entities, membership relationships, priorities, co located Chapters etc. Members will be kept fully informed of progress and have the opportunity to provide input.

The alternative is to continue “as is” and attempt to achieve success within the known constraints. Council commends this resolution and believes it offers the best available potential to create the future for our operational risk discipline that members have always wished to be proud to be part of.