

Case Study:

How AXA Investment Managers mitigated risk and **improved performance**



Investment
Managers

Executive Summary

Fund Manager, AXA Investment Managers previously relied on Excel spreadsheets to record and manage risk. This made it difficult to fully integrate risk management with their compliance system. Protecht was initially engaged to deliver a risk management refresher training session to the senior management of AXA Investment Managers. During the session the decision to move to an integrated risk management system was easy. The main challenge was gaining comfort that we would be able to demonstrate to other people within the company than the value that we expected would be delivered by that investment. It became apparent that although the company was meeting all Australian Financial Services Licence obligations, the link between risks and controls were not front of mind for all staff.

After a brainstorming session which resulted in the realisation that there was a better way to manage control attestations, the decision was made to invest in an enterprise risk management system, which was user friendly and had the capability to simply link controls to risks and use workflow functionality to ensure that key controls were actioned. "The decision to move to an integrated risk management system was easy. The main challenge was gaining comfort that we would be able to demonstrate the value that we expected would be delivered by that investment to other people within the company" says Matthew Spithill, Chief Financial Officer, AXA Investment Managers.

Seeking a Streamlined Approach to Linking Controls to Risks

Upon implementing Protecht.ERM focus was initially placed on risk management reporting, however the quickest wins were seen when the compliance obligations of the company were embedded into the system.

"There was a clear business advantage in mitigating compliance risk and improving compliance performance. This has resulted in advocates right across the business", says Spithill.

Utilisation

"We were immediately able to incorporate operational controls and map these within the system against key risks. This was an easy way to get teams thinking about our key operational controls. It had the additional benefit of ensuring that if a staff member left, we did not lose our existing compliance knowledge base. We were able to effectively attest to operational controls, as well as the obligations set out in legislation and trust deeds", states Spithill.

Less Time Worrying, More Time Working

With the focus on identifying AXA Investment Managers's key controls, it represented a learning curve for the team as they moved away from the mentality of creating a controls 'job list' to documenting and reporting material risks and the associated controls.

Moving Towards Better Registers, Dashboards and Reports

Since deploying Protecht.ERM, Matthew says that there have been noticeable improvements across the company's risk, compliance and assurance operations. Prior to the use of Protecht.ERM, there was some duplication in the collation of information, for example in relation to the reporting to the board of current legal matters. One of the keys to measuring the demonstrated value of the system was whether information collection could be more efficient and timely.

In particular, he cites improved reporting and monitoring of procedural incidents (including IT issues) through the

creation of registers, which are now used company-wide. The easy collation of data within these registers assists AXA to pinpoint trends and analyse data, making it easier to deal with issues as they arise. "There is a clear benefit to all users of entering incidents into the system as they arise", states Spithill.

Currently AXA Investment Managers utilises registers for incident reporting and legal matters. Down the track, there will be focus on building risk dashboards and reporting key risk indicators. Another short-term goal for the company is to go live with a dashboard which shows users their upcoming obligations.

"Ease of use and how people access the system is key."



Recommend Us?

"Protecht.ERM allows us to continuously improve our risk and compliance management processes. As we work our way further down our risk tree, we feel confident that we have all key risks appropriately mitigated, despite knowing that the risks we face constantly change", says Spithill.



AXA Investment Managers is a fund manager dedicated to wholesale and institutional investors, with a focus on the alternative investment sector in Australia.



Protecht is an international company founded by some of the most accomplished risk professionals in the industry. Since 1999, we have delivered training, advisory and software solutions that intensify the Risk Management focus and discipline of corporations and government departments alike.

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