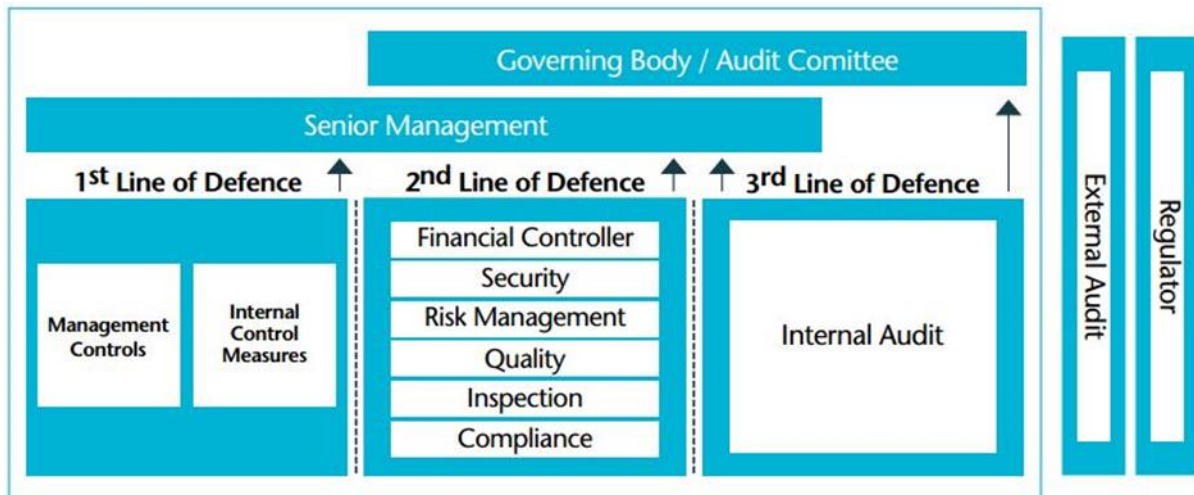


RISCS CWC Internal Audit

The Need

(Re)insurers require an effective Internal Audit function to ensure the integrity of a 3 lines of defence risk management model (see diagram below). This function provides independent assurance of risk through a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.



Source: Chartered Institute of Internal Auditors

This is not just sound corporate governance practice, increasingly regulators are demanding regulated entities demonstrate a robust third line of defence and evidence of an Internal Audit programme consistent with the scale, nature and complexity of the business.

Stakeholders are increasingly interested in the capability and effectiveness of Internal Audit given recent high-profile failures in governance and risk management as part of the growing emphasis on the G in ESG.

The Challenge

Most captives and niche (re)insurers outsource the management of the company to insurance management companies. These insurance managers typically do not have the resources to establish an independent Internal Audit function. If part of a global organisation that does possess an Internal Audit capability, it is highly unlikely that this would be made available to clients under management. Even if a (re)insurance vehicle has its own dedicated management team, often Internal Audit capabilities are limited and the independence of the role compromised.

Parent companies of captives may offer an Internal Audit function, but typically this is primarily applied to the key risks of the parent. So, there is limited expertise of risk financing, running a regulated (re)insurance entity or the domicile in which the vehicle is located (often different to that of the parent).

The Solution - Independent Audit

RISCS CWC is an independent consultancy experienced in risk financing, all domiciles and quality assurance with in-depth insurance management knowledge. We have a team of experienced industry practitioners who are expert in tailoring an Internal Audit programme aligned to a board's particular requirements.

The Service Provider

As a globally based captive advisory business, not aligned with any insurance manager, we offer independent objective assurance to our clients. Many of our consultants have spent a lifetime in insurance management and have a deep understanding of the role of internal audit and how to deliver a focussed and valuable facility.

We offer a “pay and play” engagement model so boards can appoint us on a bespoke basis – for a specific risk or exercise, a review of the top key risks or as part of an ongoing rolling programme of evaluation.

The diagram below offers some suggestions to captive boards as to what activities should, shouldn't and could be included in an Internal Audit programme. We would be happy to work with you to assess your risk management framework to arrive at a suitable programme.

The role of internal audit in Enterprise-wide Risk Management



Source: Chartered Institute of Internal Auditors

RISCS CWC provides independent, innovative, strategic risk consultancy to brokers, underwriters, corporates, and captives across the world. Drawing on decades of experience in the global captive and ART industry, we work with our clients to build an individual RISCS CWC Strategic Risk Pathway. Delivering a range of services and knowledge from the very first tentative self-insurance steps through to full captive operation and protection, we work with and support our clients every step of the way.

For more information please contact us at info@riscs.org