These 2 are the ones who are technical and take the decisions. l
The chief financial officer is the person who is overlooking the accounts department, the finance department, and takes the high level decision (how much and where to invest, setting up budgets and forecasts, understanding and explaining shortfalls In budgets, identify areas of wastage) , but he is looking at how to maximize the capital of the organisation, the profits, the investments. The CRO has become important after the failure of various organisations. Risk management would have identified frauds and certain inaccuracies and risks that were not immediately visible (Independent Insurance Company example), These risks are all those risks that are able to destroy a company. It would target those risks that would not be shown in the financial statements.
The company secretary is the official administrator of the organisation, he is responsible to provide info to the authorities, set meetings, agm, egms, take minutes, register documents, fill in forms that are required in line with the companies act and other legislations.
Internal audit is checking the processes of the organisation to check that they are in line with their regime.
An actuary is one that models and forecasts what is going to happen in the future, and he uses statistics to analyse risks that are being forward and making sure that enough money is being collected to meet the losses (a mathematician who can calculate and appreciate the risk being brought forward)

The chief technical officer is responsible for the technical departments in insurance claims such as: reinsurance, Personal insurance, motor insurance, and commercial insurance.

Corporate Governance

Corporate governance is the way an organisation is controlled, monitored, and governed. Good governance means the observance of a number of policies or procedures, to ensure that companies are trading fairly, securely, and in the best interest of stakeholders.

When people are investing money there could be abuse of this invested money, so there should be a method of control. A stakeholder is one who has an interest in the organisation (financial interest, corporate interest, economic interest, social interest). Stakeholders are shareholders, regulators, customers (policy-holders), competitors, government, employees, banks, suppliers, etc…
We need a structure in place to make sure the interest of these parties is protected and assured.

Corporate governance is a set of codes that would dictate practices, policies and ensures that procedures and systems are in place and these are reported to the stakeholders at the AGM.

There are 2 areas of governance: internal and external. The internal is the organisation and the external is the regulator. For internal checking, we have internal control, and the external is controlled by external audits. Internal audit, compliance and risk management are the 3 pillars that are required for corporate governance.
Corporate governance are rules by which the company is monitored.

The board is responsible towards the stakeholders, so they are responsible for anything that happens within the organisation. The directors have to ensure that there is corporate governance, a good reporting process coming from the compliance, the audit and the risk management function. Once these 3 are running appropriately, the company should be safe.
These directors can be executive or non-executive directors. Non-executive are those who may not be active in the running, but still carry the responsibility. The code says that the chairman and the CEO

CORPORATE GOVERNANCE CASE STUDY

John Bond is the Chairman of the Board of Directors of Orange ltd, a telecommunications company established in 1981.
John Bond has been the Chairman and also the CEO of the firm since 1985 and has always conducted and attended all of the company's board meetings.
Mr Bond has always lead sub committees set specifically to work on technical and financial matters. John is an engineer by profession and is a very technical person. He has convinced some of his school days friends to sit on the Board, the majority of these Board members hail from a variety of industries.
John Bond always exercised a strong dominant position and rarely were his actions challenged by the other Board members.
The Board members were happy with John Bond's one man show approach especially since they were being remunerated sufficiently.
The auditor appointed to audit Orange Ltd is also John's friend and always asked him to present the company records at AGM meetings held sporadically.
The company returned healthy profits and the shareholders never questioned anything about the board or the executive of the company.

However, the following incidents happened during the past 20 years:

1. **2 directors resigned only to be replaced by John Bond**
2. **A fire to one of the offices reveal that no insurance was in force**
3. **A wrong contract decision costed the company a loss of €1.2million**
4. **Assets amounting to €500,000 worth of computer equipment was not tallied**
5. **Orange ltd took over a small communications company which turned out to be a liability**

The chairman and CEO is involved in so many committees is not good. John Bond cannot be the Chairman and the CEO of the company as the Code does not allow it. A sub-committee has to work Indipedednt so competent people are appointed to lead, and so it is wrong. A sub-committee is formed to perform a project, and he cannot be part of a sub-committee.

which needs to be amplified. You are giving the authority to do something, but the ultimate responsibility must still be borne by the manager.

Decision making is part and parcel of management. A decision maker needs to undertake 5 stages, consider the facts, the task, the objective, the problem, consult the integration of ideas making the information available, calling meetings, integrating suggestions, crunch the options and numbers, communicate the decision, tell the people involved how it will happen, wo will be affected by that decision, and you need to constantly check!

Coordination is bringing the team together to work together.

Project Management

These are one off assignments that are entrusted to a manager/leader to ascertain in certain parameters eg time, money, and resources. You need to know the resources needed, the money needed to finance such project, and the time deadline.

Recruitment – Nowadays, companies can out-source this function, and they can find the right employees on behalf of the company. Appointing a recruitment company, can make the process easier. These companies are equipped with the best staff for the recruitment process. The downside to this is that the agency might not understand your culture and operational needs. When one is recruiting, a set of job requirements are set up ie what skills, what knowledge, what competence is required, the job description (what is the person expected to do), etc…

The process is done by group dynamics, discussion, role plays, personality, intelligence, and performance.

Data management

The internet has flourished because never was a time when organisations could tap into an international database with one click. Today, the extent of business that you can undertake is great. Data is kept in databases.

Change Management

Research and development has changed the world of insurance. Insurance is all the time adapting and evolving to current needs. Changes have to be made in products, regulation and governance (3 functions that need to be in place to ensure that companies are solvent, ethical and able to perform their trade promises; Risk management, Internal Audit and compliance).

Ethics

Organisations might not be breaching the law but their decisions may not be ethical. Organisations need to live up to customer expectation reputation, business image, observe a code of conduct(rules for the organisation to obey in a professional way), market, standard, TCF, conflict of interest, technical/legal, trust, regulated, economic financial, changes, CRM.