

CRM RECRUITMENT

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Market overview

- A robust and earlier than expected rebound in demand for quality candidates
- No significant pressure on compensation at this early stage
- A number of drivers behind the rebound
- ASIC hiring on a large scale to support market supervision
- Specialist agencies in demand
- Complanet makes inroads in Australia

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Compliance and Risk Management
Recruitment
Permanent and Contract

Quarterly Newsletter

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Welcome to the second edition of our newsletter

It is with a sigh of relief that we welcome the rapid rebound in demand for quality candidates against the backdrop of the gloom that was 2009 (See below for more commentary).

While demand has improved rapidly there has been no significant upward pressure on compensation, indeed there is a still a slight overhang with employers seeking to capitalise on the healthy supply of quality candidates at bargain salaries.

Underpinning the surge in demand are a number of factors, including a round of catch-up after some employers pruned too hard, reorganisations, new business entrants, regulatory actions, new legislation such as the new AML regime, and a general

awareness by senior management and boards that Risk Management in particular needs to be properly re-sourced. The pendulum has swung firmly in favour of risk management roles.

A fair bellwether of market conditions is the professional firms which are now venturing back into the market after significant layoffs in 2009.

Combined with demand by ASIC which is reportedly seeking a significant number of compliance officers to take on its new market supervisory responsibilities, there is plenty of demand for smart young lawyers and accountants who would like to pursue a career

as compliance professionals. As one of few specialist agencies dedicated to compliance and risk management, we are pleased to see that employers are working around the dreaded "one size fits all" panel system that tends to benefit neither candidates nor clients.

Finally we would like to endorse our friends at Complanet, Martin Money and Nathan Lynch. As one of the global leaders in compliance and risk market commentary, policy, training and recruiting services, Complanet has now firmly established its presence in Australia. Take the time to visit their website at:

www.complanet.com

GFC: The worst appears to be over

After a turbulent 2009 there is a sense of relief and optimism as we come to the end of the first quarter in 2010.

The early part of 2009 was characterised by an unprecedented drop in demand for compliance and risk professionals at all levels, with mid tier and senior opportunities in particularly short supply.

The last quarter of 2009 saw cautious signs of recovery, with some of the majors returning to the market to take early advantage of a wealth of well qualified candidates with realistic expectations.

Following the usual holiday lull over Christmas and into late January the market really came alive in February and has been buoyant since then, although it is still a little patchy and yet to fully recover.

Key drivers for the change in sentiment appear to reflect the broad economic outlook for Australia and the recognition that Australian financial institutions fared reasonably well. While many cut hard into their compliance and risk teams, many bunkered down and are now reaping the rewards of loyalty in difficult times.



As always, good candidates are still in demand. If you are considering a career change give Greg or Barry a call to discuss your career options.



An interview with Peter Whyntie

In this article the Chairman of the Australian Compliance Institute, Peter Whyntie, shares his views on a range of topical compliance and risk management issues.

“When management see boards living their ethics, such as through rigorous board appointment procedures, continuous education, open and transparent board performance assessment, good culture will blossom”

Do you see the world of compliance and risk management in Australia and internationally being substantially affected by the GFC?

There has been a significant increase in the focus on risk management resulting from the GFC, particularly in large financial services companies and many non-financial services companies. The role of CRO has been enlarged, and in many companies is now a direct report to the CEO. The budget for risk management has been significantly increased, with some companies now allocating very serious dollars to improving risk infrastructure such as software. This is driven by recognition of the need for the level of risk analysis to be lifted to enable more focused and informative reporting to management and boards.

We hear the terms “conflicts of interest” and “moral hazard” widely used in the press. It seems that these issues go to the heart of the GFC. What lessons can we learn from this breach of confidence?

In every boom we see examples of failure of ethics. Where governance is weak, and the risk culture poor, individuals either acting alone or in unison will take maximum advantage of that. I have lived through three major market busts. The difference between the failures of 2008-09 and those of 1987-88 was the level of sophistication. You could say the crooks today wear better suits! However apart from the more notable examples I believe culture and governance across the mainstream of our financial landscape stood up pretty well.

The convergence of risk and compliance has been happening for some time and more recently corporate governance has emerged as a key issue. Do you think that directors are aware of their regulatory duties and the importance of compliance and risk management?

It is dangerous to generalise. However, the directors I have experience with are acutely aware of their duties. I have not seen a time where directors have given more time to addressing risk and compliance. It is my observation that directors tend to see compliance still in a more legalistic light than risk management. However, where management has advanced to providing integrated risk and compliance reporting directors welcome this and see risk and compliance as a vital part of

that. It is also fair to say many directors are becoming critical of the degree to which the focus on compliance especially can distract from their duties to steer the strategy of the company. I see that pendulum swinging back somewhat as the economy improves.

The Australian regulatory regime has been praised as a model for the rest of the world, with a balance of prescription- and outcome-based compliance obligations. Do you expect any substantive changes to the current approach to regulation in Australia?

Clearly the Australian regulatory regime stood up well. At the recent ASIC Summer School a number of foreign regulators and commentators singled out this country as a good example. However, it was also noted that there was some luck too. A number of commentators have looked at the dampening effect of the Four Pillars policy on the ability of Australian banks to participate in some of the more extreme banking practices. Whilst there are many voices calling for Australia to stand apart from the push towards global regulation, many are also arguing that as a participant in the global capital markets we cannot be exempt. I believe we will see a level of regulatory reform but that our government and regulators will exercise caution in how far we go.

At the end of the day compliance and risk management depend on a corporate culture that promotes honesty and integrity. How should boards go about ensuring that their corporate culture meets these basic ethical standards expected by society?

The most important thing is to lead from the top. When management see boards living their ethics, such as through rigorous board appointment procedures, continuous education and open and transparent board performance assessment, good culture will blossom. The Turner Report, issued in the UK late last year, made strong recommendations around director independence, raising the quality of expertise and knowledge in boards, focusing on searching and fearless inquiry by directors of management proposals and reporting, and increasing the quality of risk reporting. The depth of knowledge and quality of inquiry I experience at a board today is light-years from where it was 30 years ago.

What's on

ETHICS IN PROFESSIONAL LIFE

Dates: 15th – 17th June 2010

Venue: University of Sydney

Applications: b.chaar@pharm.usyd.edu.au

For representatives of the professions this is an opportunity to meet and discuss ethical issues pertinent to their practice. It is about applied and professional ethics. Streams at the conference include moral philosophy and business ethics. Speakers include the world-renowned Professor Peter Singer and Dr Simon Longstaff.

ACI - RISK 202:

Dates: 14 July, 2010

Venue: Sydney

Applications: 02 9290 1788

This one-day workshop is designed to develop your skills and provide you with a more in-depth understanding of corporate risk management. It focuses on the practice of risk management from the high-level controls and board perspective to the operator developing and populating the risk register and managing risk treatment strategies.

Events of interest to those involved with compliance, risk management and business ethics

People in profile: Dr Stephen Cohen

Dr Stephen Cohen is an associate professor at the University of NSW, a director of the university's Graduate Programs in Professional Ethics and a director of the Business Ethics Centre at Compliance Australia.

Aside from his academic work in ethics, moral reasoning, business and professional ethics, and philosophy of law, Stephen has over 15 years' experience in consulting widely to the public and private sectors, the professions, and peak bodies throughout Australia, including the Australian Compliance Institute, AFMA, the Financial Planning Association and IFSA.

His consulting work has involved such things as ethics training, development of codes of ethics, analysis of ethical and compliance systems, corporate governance, development of ethical decision-making models, and social/values audits. Stephen has been sought after both for development of high-level and high-quality ethics awareness programs, and to help organisations fight ethical fires.

Stephen is currently completing a research project, "Ethical Excellence in the Public Sector of New South Wales", which is jointly funded by the RTA, the NSW Department of Commerce, and the Australian Research Council.

His book, *Business Ethics* (Oxford University Press) is the most widely used business ethics text in Australian universities. The fourth edition of this text was published earlier this year. Stephen has published widely in the areas of applied ethics, business, professional, and public sector ethics, corporate governance, moral reasoning, and the philosophy of law.

He was recently named as the most productive business ethics scholar in Australia, and among the most productive in the world. He is sought after as a panellist and presenter at industry and public-sector conferences, as well as by the media in matters concerning professional, public sector and business ethics.

Stephen also directs the Business Ethics Centre at Compliance Australia (www.compliance.com.au) and is available to assist private and public organisations or professional bodies to address issues around business ethics and corporate governance. If you would like to speak to Stephen please give him a call on: 0421 064 708.



Introducing
Dr Stephen
Cohen, a
pre-eminent
academic and
consultant in
business and
professional
ethics

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“Dedicated to fulfilling the needs of clients and aspirations of candidates through our expert knowledge, experience and contacts.”

Specialising in the placement of compliance, audit and risk professionals

About Compliance & Risk Management Recruitment

Compliance & Risk Management Recruitment (CRM) was established in 2004 to bring together the experience of our Directors, who between them have been involved as recruitment consultants and practitioners in compliance, risk management and audit for a combined period exceeding 40 years. CRM has evolved to become a leading specialist agency with an extensive network of clients and candidates in these fields, with a focus on both permanent and contract roles.

Greg Goodman

Greg held senior compliance positions in the finance sector before joining Barry Maurer in the recruitment business. He is a member of the Australian Compliance Institute and the Australian Institute of Company Directors. He has been involved in the compliance profession since 1989. Greg was the Regional Compliance Officer for nine years and held various senior management positions for over 20 years with the Bankers Trust Australia Group. In 1998, Greg established his own consulting firm, ([Compliance Australia Pty Ltd](#)), and was also a Director at Arthur Andersen, responsible for their compliance consulting practice. Greg continues to sit on a number of compliance, audit and risk committees and has held directorships in major financial institutions.

Barry Maurer

Barry began his recruitment career in Sydney over 20 years ago with an international recruitment firm. He managed their banking and finance recruitment team before establishing his own recruitment firm. He consistently recruited in the field of compliance, risk and audit, building a strong network of relationships across the financial services sector. In 2004, he joined forces with Greg Goodman and established Compliance and Risk Management Recruitment.

Contact us:

Thinking of looking for a new role?

Looking for that hard to find candidate?

Want to know what's happening in the market?

Why not give Greg or Barry a call and let us do what we do best; provide discreet, informed advice to candidates and clients relating to compliance, audit and risk management roles.

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