60 SECONDS WITH.... Joseph Wong

Why did you become an actuary?

I always loved Mathematics, and after a degree with honours in Pure Maths, I looked for a career where being comfortable with maths is a norm, instead of an exception. I came across the actuarial profession and decided to try that.

Where have you worked and what have been some of the most interesting things you've worked on as an actuary?

Other than two years at the AMP at the start of my career, I have always worked for Campbell Cook and King and its subsequent spin off, CCK.

As a consulting actuary, I was involved in changing the Workers Compensation Premium Rating System in WA, the design of some the early Pilbara defined contribution funds during an era of defined benefit funds, and being an expert witness in the WA Inc. enquiry. I was also involved deeply in treasury management issues, ranging from hedging strategies to controls. One of the things that I looked at is how a system can contribute to stopping the major financial scandals in treasuries, which occur every few years.

Of course, a system is only as good as the thinking behind the controls, but at least the infrastructure should be there to make it easy to implement good controls, which can be designed to meet specific circumstances if there is a will to do so. There have been a number of actuarial papers on quantifying operational risk. I tried to work on mitigation of operational risk through system design.

When did you start applying your skills to risk management?

Actually, actuarial science is really all about risk management, but it has not always been seen in that light. I was fortunate to have an opportunity to work with Barry King, who was a visionary and taught me a lot about lateral thinking. So we started with defined benefit funds where the benefit level is partially linked to funding levels, resulting in the sharing of risk between members and the employer.

When I moved into the treasury management area, risk management became part of the job. But the tendency is to look at market and credit risk primarily. I became interested in operational risk, and how systems design can assist in the mitigation of that risk.

How did this evolve to your current enterprise wide risk management role?

I have never worked as an enterprise risk manager. Instead, I have been thinking about risk issues and working on systems design to enable the risk to be controlled and mitigated.

What actuarial capabilities do you use in risk management?

One of the early things I learned as an actuary is to look at the big picture, and decide if an answer is reasonable. This has been invaluable all my working life. And in my line of work, being comfortable with a few formulae is essential to stop focussing on the detail, and to look at the bigger picture. Having said that, attention to detail is also critical. But that needs to be done in the context of understanding the big picture.

What skills should actuaries enhance to be more effective in enterprise risk management?

The skill to alternate between stepping back to see the big picture, then focussing on the details to ensure that big picture can actually be valid. Both are necessary.

What do you advise aspiring actuaries to do to attain wider risk management roles?

Get into the area, and then show what you can do by remembering to look at the big picture, but be careful with the details, always in the context of knowing what the big picture is. An alternative would be willing to relocate. Banks in Australia generally already have highly specialised risk management teams. However, this is not generally the case in most of Asia, with a few exceptions.

Actuaries Institute