



# Denise Bovaird

Principal Bovaird Partners

Risk Governance



# Risk Governance

“The Board’s role in managing  
risk”

Denise Bovaird  
Navigatus Consulting

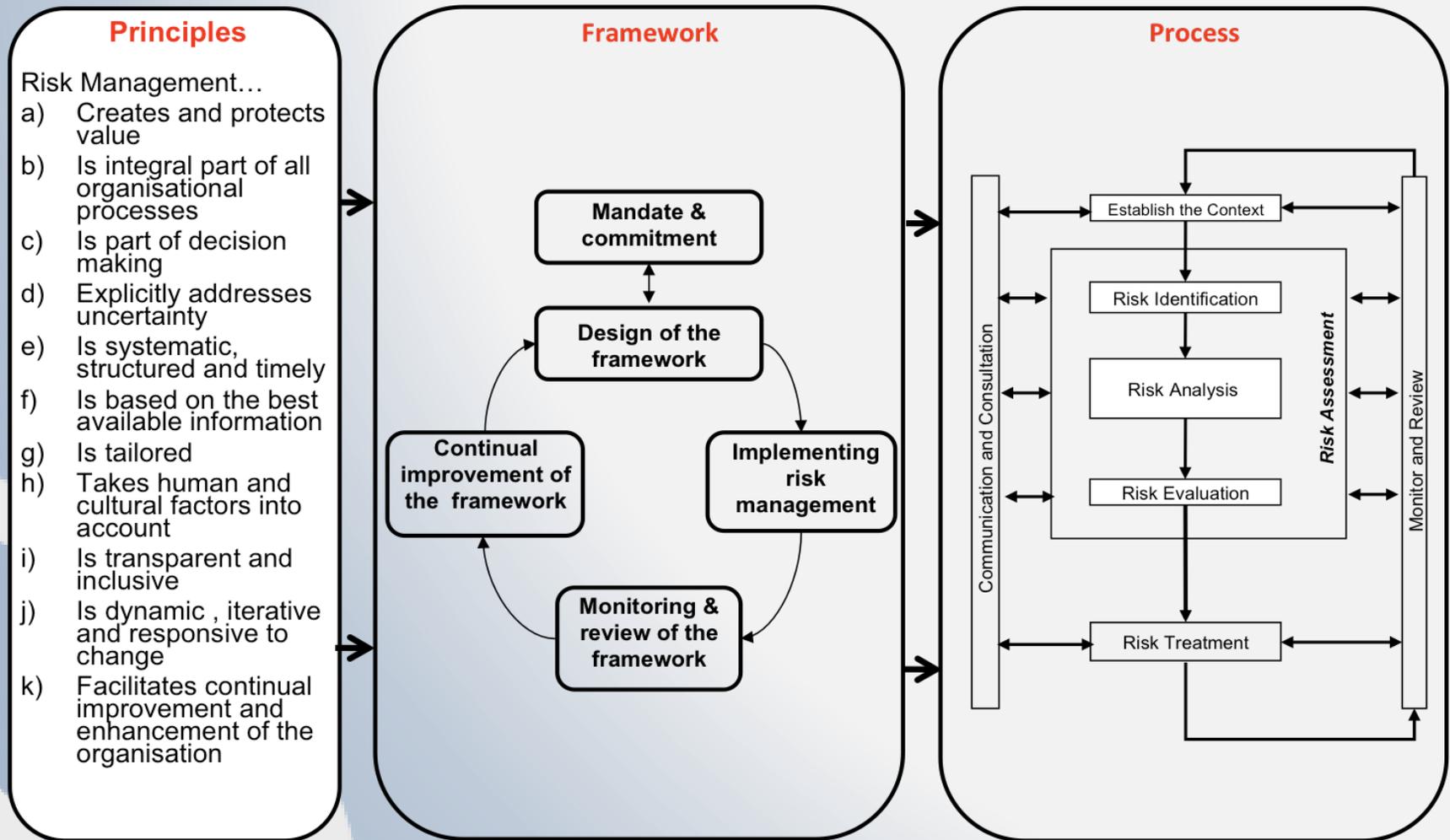


# Key focus

The Board has responsibility to ensure that key risks to achieving strategic objectives have been identified, are clearly understood and are managed to appropriate levels of exposure.

Risk should be a key focus for the Board

# Risk management overview



AS/NZS ISO 31000 Risk Management: Principles and guidelines



# Board's oversight role

Framework for managing risk:

- > Policy
- > Allocation of resources
- > Risk appetite
- > Process for managing risk
- > Periodic review of the risk framework

# Ongoing Board focus

- > Understanding/approving the risk profile
- > Emerging and changing risks
- > Assurance that risks are appropriately managed
- > Bringing fresh perspectives



# Ongoing Board focus

- Understanding/approving the risk profile
- > Is there a clear understanding of the key risks
  - > Are there are other risks to consider
  - > Does the rating of the risks reflect the risk appetite
  - > Which risks can be accepted and which need proactive management



# Ongoing Board focus

## Emerging and changing risks

- > Do the Board consider ‘what has changed lately’
- > Do Board papers reflect management’s consideration of emerging risks
- > Is the existing risk profile and individual risks regularly reviewed



# Ongoing Board focus

Assurance that risks are appropriately managed

- > Do directors get enough information to feel risks are under control
- > Is the management of risk reflected in all aspects of the business
- > Are directors asking enough questions



# Ongoing Board focus

Bringing fresh perspectives

- > Directors bring a view from outside the organisation and are aware of what other organisations are dealing with

**BUT**

- > Directors need to be aware of the differences between organisations



# Global perspectives

- > The focus on risk is strategic, involves whole portfolio themes and looks for correlations
- > Risk is a focus at every Board meeting
- > The single biggest challenge for directors is understanding the multiple forms of risk their companies are encountering
- > Boards are less comfortable with cyber and technology risk issues
- > Preference for entire Board to be across key risks



# The NZ situation

- > Risk is a focus at every Board meeting
- > Improving strategic focus
- > Risk reporting continually improving and in many organisations is very good
- > Directors want more information on risk
- > Knowing the business well is an essential part of risk governance
- > Board composition is very important



# Risk governance trends

Current popular themes:

- > Establishing the organisations risk appetite
- > ‘All of Board’ oversight
- > Understanding key risks
- > More targeted management/controls
- > Risk taking
- > Risk reporting
- > Agile risk management



NAVIGATUS  
CONSULTING

Denise Bovaird  
[denise.bovaird@navigatusconsulting.com](mailto:denise.bovaird@navigatusconsulting.com)