



“Keeping Out of the Wall Street Journal:  
The Board’s Expanded Role in Risk Management”

May 16, 2017  
Minneapolis Club

NACD Minnesota Chapter members and guests explored the board's expanded role in risk management. With prudent risk-taking being critical to the execution of strategy and transparency and resilience being indicators of a positive risk culture, directors are challenged to look carefully at oversight of their risk culture so that they don't end up on the cover of the Wall Street Journal.

*“The decision to install defeat devices was not, however, made by ‘a couple of software engineers.’ . . . Rather, it was the result of a willful and systematic scheme of cheating by dozens of employees at all levels of the company.” ...*

—FROM THE NEW YORK STATE OFFICE OF THE ATTORNEY GENERAL’S  
COMPLAINT AGAINST VOLKSWAGEN

Key topics covered:

- Differing Board Perspectives around their Role in Understanding and Evaluating Risk
- Driving a Value Proposition Around the Organizational Benefits of Strong Risk Management
- Leading Practices in Risk Reporting
- Comparison of Alternative Risk Reporting Structures (Chief Risk Officer, Risk Committee, etc.)

Guest Speaker Panel:

- ❖ Dolores Atallo, Managing Director, Risk & Compliance, Protiviti
- ❖ Christopher O’Connell, Senior Manager, Risk & Compliance, Protiviti
- ❖ David Koenig, Founding Principal, The Governance Fund
- ❖ Sal Mondelli, CEO Advisor, The Bailey Group
- ❖ Miron Marcotte, Managing Director, Protiviti Minneapolis will serve as moderator.

**Thank you to our chapter sponsor, Protiviti, for hosting this timely program.**



A MUST ATTEND – [The NACD Global Board Leader's Summit](#)  
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# PLAN ON A JOURNEY

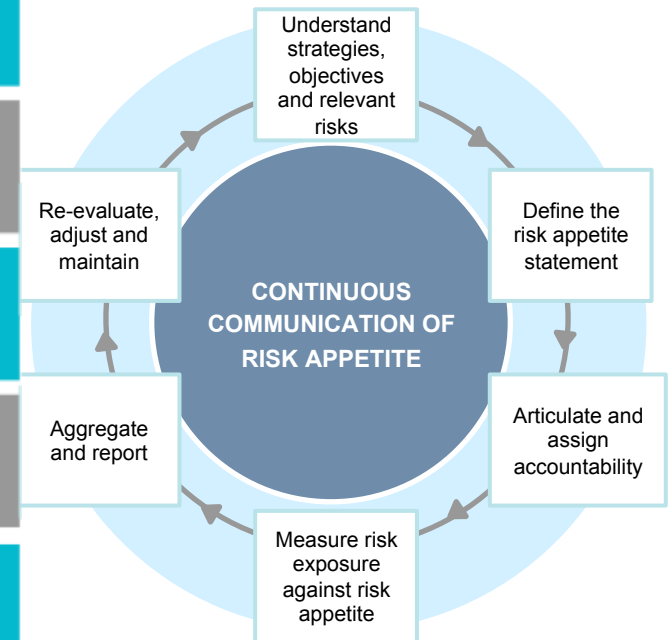
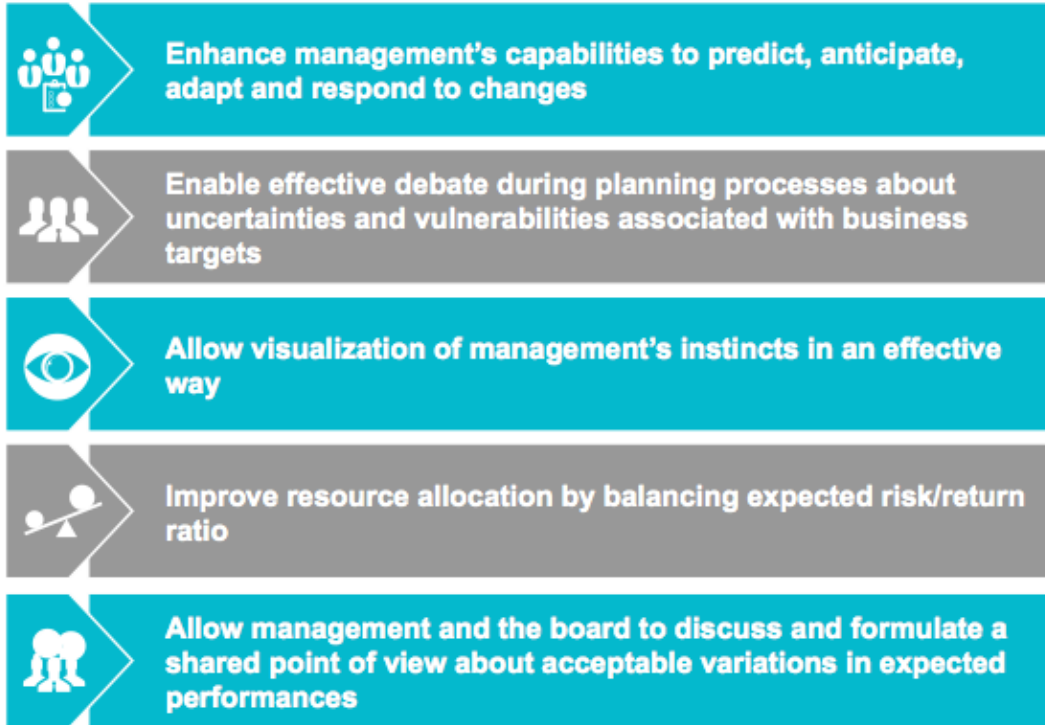
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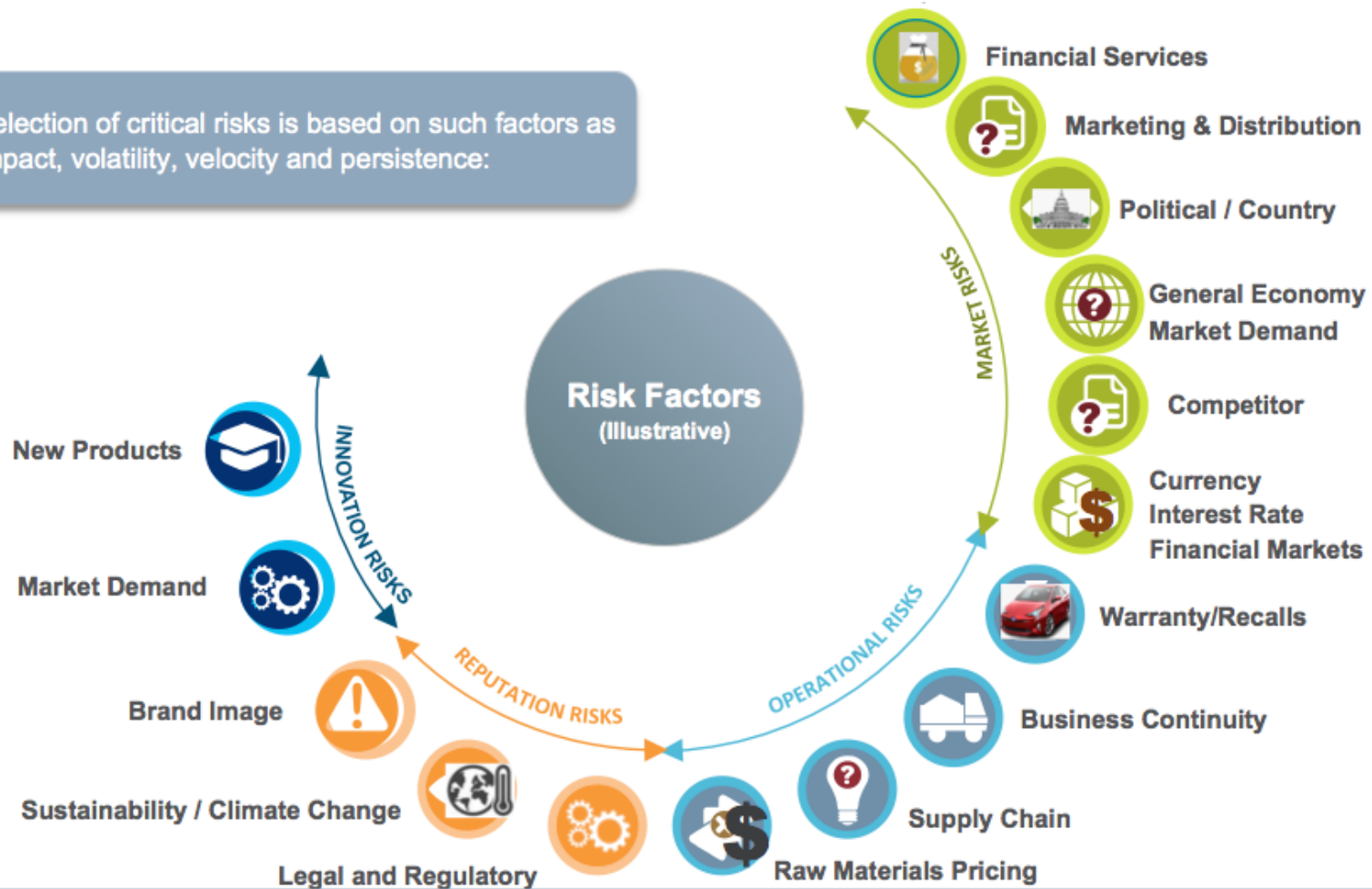
# RISK APPETITE VALUE PROPOSITION

## Implementation of a Robust Risk Appetite Framework



# SELECT THE CRITICAL RISK FOR QUANTIFICATION

Selection of critical risks is based on such factors as impact, volatility, velocity and persistence:



Once selected critical risks have been managed to an acceptable level, management should consider the integration of opportunity and risk analysis into **planning processes** to more effectively evaluate, select, refine and set strategies and business objectives.

# FOCUS ON RISK CULTURE



## Importance of a Strong Risk Culture



# RAPID SPEED OF DISRUPTIVE INNOVATION

63% of Board Members and Executives indicated that the risk of **new technologies emerging to outpace the ability to remain competitive** had a significant impact on their organization.

As a result, the current business environment features:



Advancements in Digital Technologies



Rapidly Changing Business Models

**Organization and Risk Function must be agile, flexible and nimble in order to be effective and efficient in responding to the changing environment.** In addition, they must respond to sudden developments that alter customer expectations and change their code business model.

# REPORTING CHALLENGES

Institutions and risk functions must embrace the digital revolution – by leveraging data and technology-enabled risk platforms to proactively manage risk, while remaining agile to changing business environments.

## Solving Reporting Challenges

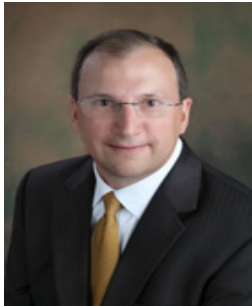


# TRANSFORMING RISK REPORTING

Organizations are relying on tools to capture, calculate and evaluate a large volume of complex risk data and reduce it to a manageable data set. Reporting should provide risk metrics in a simple, scalable, and comprehensible format – allowing for effective management of all business risks.



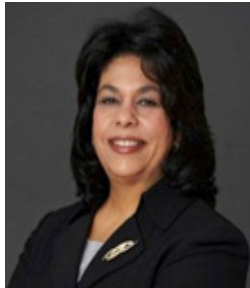
# PANEL DISCUSSION



Miron Marcotte  
Moderator



David Koenig  
Panelist



Dolores Atallo  
Presenter & Panelist



Sal Mondelli  
Panelist

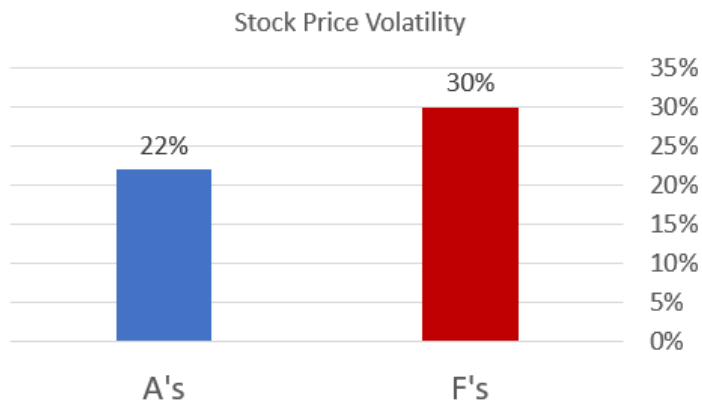


Chris O'Connell  
Presenter & Panelist

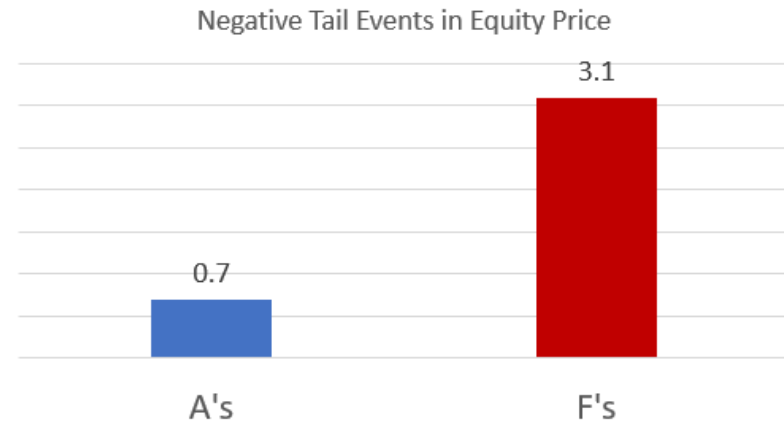


# Impact of Risk Governance

## Comparing Publicly Traded Companies with “A” Ratings and those with “F” Ratings



Source: The Governance Fund

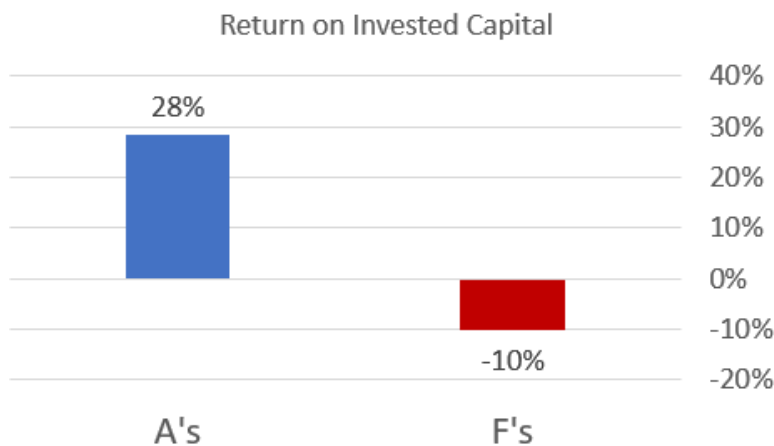


Source: The Governance Fund

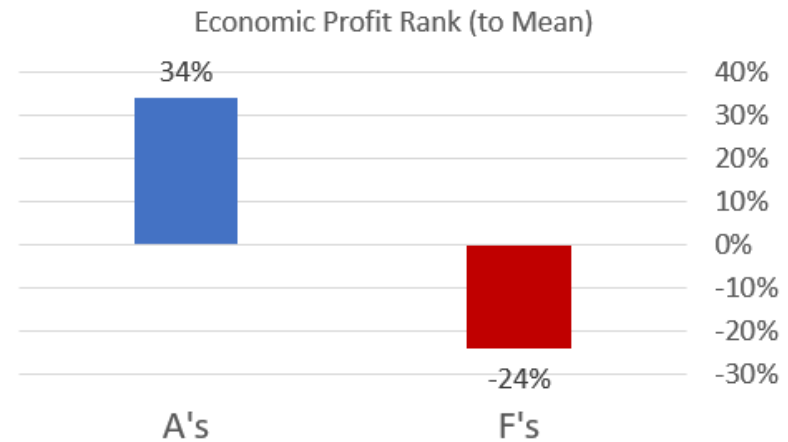


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THANK YOU!

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*Face the Future with Confidence*

