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Risk excellence

On 7 June 2016, KPMG hosted the International Risk Excellence Roundtable in Milan, Italy, for the sixth time in a row. Previous editions of this event were held in Frankfurt and London. The objective of this roundtable was to serve as a platform where the representatives of large international companies working in the risk domain could connect and share their day-to-day experiences. The success of the event lies in its exclusivity and format: the participants comprised only leading companies and key players in this area.

During the welcome session, we asked the participants to identify the challenges they had been facing. Some of the challenges mentioned by many of them were:

Challenges

- Moving risk management closer to the business, by providing them with a common methodology
- Creating a consistent level of internal control across the organization
- Defining an integrated view on risk for management
- Defining the risk appetite of the organization, together with management
- Supporting risk culture in the organization
- Integrating risk management with performance management
- Formalizing governance around risk management
- Integrating risk management with strategic thinking
- Driving ownership of risk management at a board level

Following the welcome session, three rounds of discussion were held on the following topics:

1. Rebalancing the three lines of defense

In this discussion, the participants responded to the question "Are we focusing on the right risks that really matter?" This question was triggered by the gap noticed between the enterprise risks appraised and the control efforts made.

2. Bringing risk to the business

A short presentation marked the beginning of the discussion, where some of the results of a recent study conducted by KPMG were shared, revealing the common concerns among CEOs of losing relevance in the market and facing the risk of not having the right business model. In addition to these risks, disruptive changes and innovations were perceived as major risks.

3. Risk reporting

The final discussion was opened with an introduction to the recent regulatory developments, corporate failures and some insights from the boardroom. Several research and survey findings have revealed that the boardroom tends to focus more on the top risks identified through the risk assessment process than on risk and strategy discussions, struggling to challenge the decisions of senior management. A large number of board members believe that time allocated to risk management and strategy planning in the boardroom agenda is significantly inadequate.

These rounds of discussion were characterized by an open and enthusiastic participation of all the representatives, which made the 6th International Risk Excellence Roundtable an enriching and a highly insightful event.

We thank all the participants for making the event a huge success and look forward to your active participation next year.

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