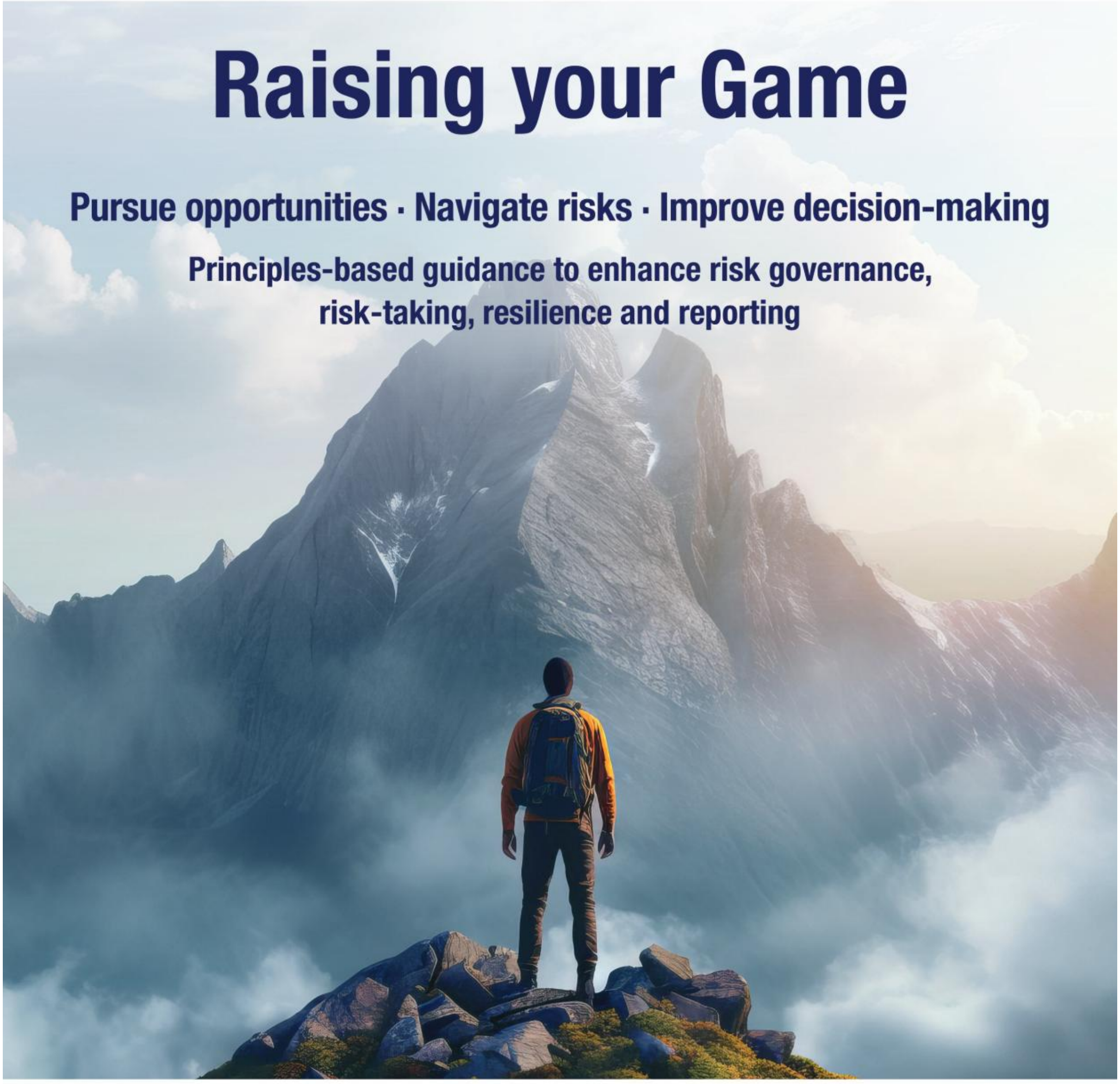
The Risk Coalition

Leading Risk Thinking



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Raising Your Game on Risk Governance: Insights from the Boardroom Exchange Roundtable

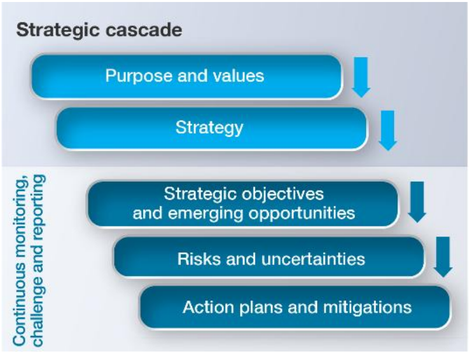
In a business landscape defined by rapid change, regulatory scrutiny, and emerging risks, strong risk governance is more crucial than ever. On 7 March 2025, a group of governance professionals, non-executive directors, and risk experts gathered virtually for the latest *Boardroom Exchange* roundtable to discuss the Risk Coalition's new guidance, *Raising Your Game*.

The discussion underscored a fundamental shift: risk management is no longer just about mitigating threats—it's about seizing opportunities. The event, led by Risk Coalition co-founders Christopher Burt and Professor Bryan Foss, explored the principles of *Raising Your Game* and how boards can enhance risk governance, align strategy with risk oversight, and create sustainable value.

From Compliance to Competitive Advantage

Traditionally, risk management has been seen as a defensive function, focused primarily on compliance and preventing failures. However, as Christopher Burt emphasised, high-performing organisations use risk management as a strategic enabler, allowing them to navigate complexity with confidence and unlock competitive advantage. The ethos of *Raising Your Game* aligns with this forward-looking approach.

The new guidance builds on the Risk Coalition's earlier *Raising the Bar* (2019), which was initially designed for financial services. *Raising Your Game* takes these insights further, expanding applicability across industries and sectors while simplifying language for broader accessibility. The core objective is to provide boards with a practical roadmap to improve their risk governance arrangements and decision-making processes.



The Eight Principles of Raising Your Game

At the heart of the guidance are eight principles that define effective risk governance:

1. Board Accountability – The board holds ultimate responsibility for the effectiveness and appropriateness of risk management and internal control.

2. Committee Purpose – The committee with risk oversight responsibility (often the audit committee) should support the board in making informed risk-related decisions.

3. Committee Composition and Membership – A well-balanced committee with diverse expertise enhances risk oversight effectiveness.

4. The Organisation's Approach to Risk – Boards must ensure that risk appetite and governance frameworks align with strategic objectives.

5. Risk Culture and Behaviours – Effective risk governance is rooted in an organisation's culture, values, and decision-making behaviours.
6. Navigating Risks and Pursuing Opportunities – Risk committees should assess how emerging risks impact strategic objectives while identifying growth opportunities.
7. Risk Management, Internal Control Systems, and Reporting – Robust systems and processes ensure transparency, accountability, and continuous improvement.
8. Independent Risk Oversight and Challenge – Where relevant, organisations should establish independent risk oversight functions, such as a Chief Risk Executive, to provide objective assurance.

These principles provide a framework to help organisations integrate risk into strategic decision-making, ensuring that governance structures support both resilience and innovation.

Implementing the Guidance: Challenges and Opportunities

During the roundtable, participants highlighted both the benefits and challenges of adopting *Raising Your Game.* One key concern was ensuring that risk governance frameworks remain agile in the face of geopolitical uncertainty and technological disruption. As one participant noted, emerging risks evolve rapidly, and organisations must ensure that their governance structures can adapt accordingly.

Another critical discussion point was the composition of risk oversight committees. Some organisations struggle to find board members with sufficient risk expertise, which can hinder informed decision-making. The guidance suggests that committees be chaired by individuals with appropriate risk experience, a recommendation that received some pushback in the consultation phase due to a lack of appropriately risk-experienced NEDs in the market. However, as a roundtable participant pointed out, a lack of expertise can lead to inadequate risk oversight, making this an area that boards must prioritise.

Balancing Risk and Opportunity

A recurring theme was the need to shift board discussions from a compliance-driven mindset to a more strategic perspective on risk. A participant introduced the concept of a "Now what?" approach—boards should not only identify risks but also determine actionable steps to address them.

Professor Bryan Foss emphasised the importance of horizon scanning—proactively identifying and assessing risks that may materialise in the future. This forward-looking approach is particularly critical given the increasing speed of digital transformation and the complexity of global supply chains.

Additionally, several speakers highlighted the need for boards to consider risk in the context of value chains rather than just within their own organisations. As Foss noted, risks often emerge from interdependencies across industries, making a broader, ecosystem-based approach to governance essential.

Benchmarking and Measuring Maturity

To assist organisations in evaluating their risk governance maturity, the Risk Coalition is partnering with Board Benchmarking and Heriot-Watt University to develop several surveybased benchmarking tools. These tools, expected in early Q2 2025, will provide organisations with:

- A free, high-level risk governance survey that contributes to global research on risk maturity.
- A paid, in-depth benchmarking tool that enables organisations to assess their governance structures against best practices.

These resources will help boards measure progress, identify gaps, and continuously improve their risk management frameworks.

Conclusion: The Future of Risk Governance

The *Boardroom Exchange* roundtable made one thing clear: risk governance is evolving. Organisations that embrace the principles of *Raising Your Game* will be better positioned to navigate uncertainty, pursue strategic growth, and build long-term resilience.

Boards and governance professionals must move beyond a compliance mindset and recognise risk as a fundamental part of decision-making. With the right frameworks in place, organisations can not only safeguard against threats but also capitalise on opportunities that drive sustainable success.

To download *Raising Your Game* and learn more about the Risk Coalition's work, visit riskcoalition.org.uk/raising-your-game.