



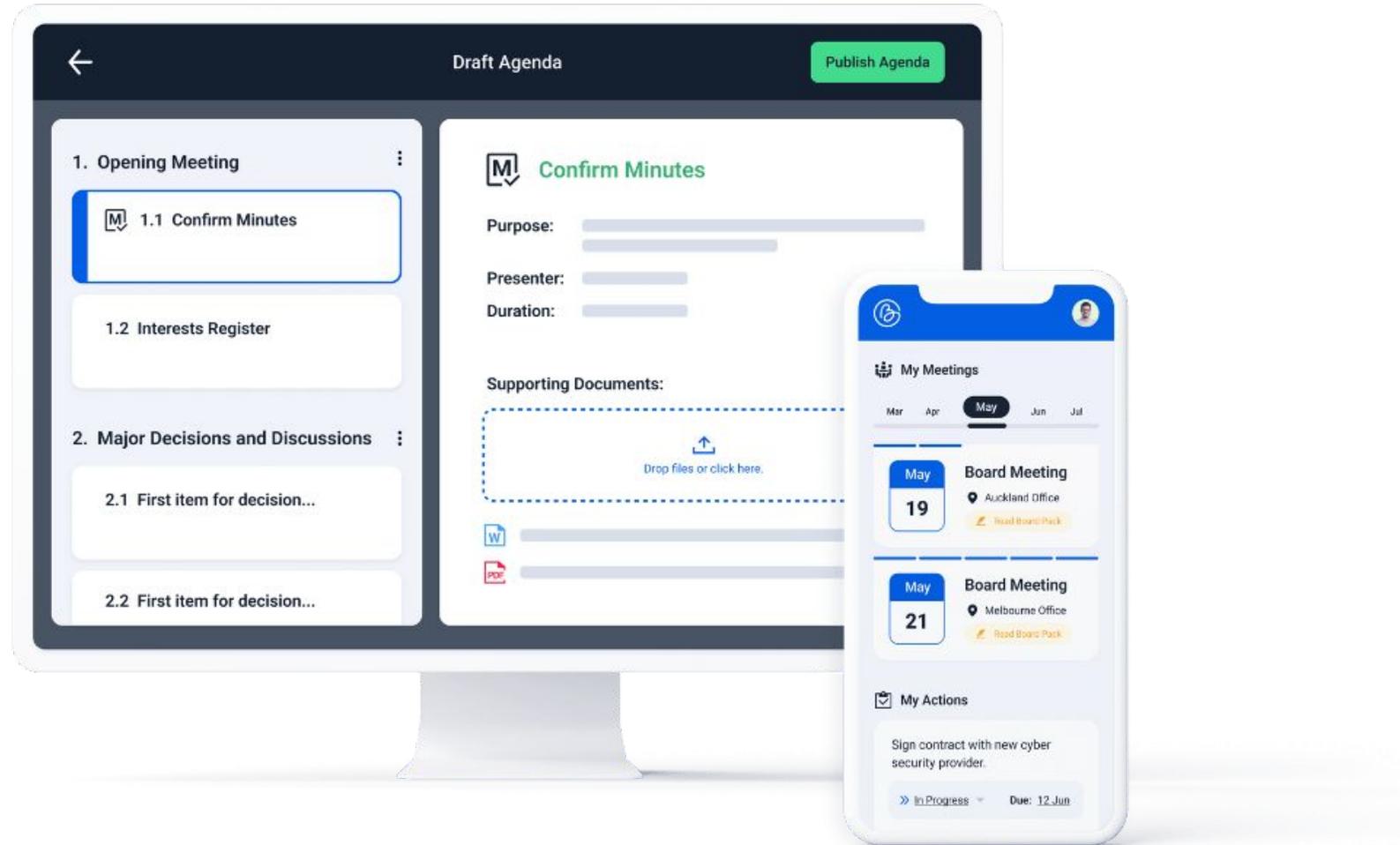
**Webinar**

# Risk as a strategic board conversation

**With Special Guest - David Bartlett**









**Making the fundamentals of  
governance free and  
easy to implement**



**Brett Herkt**

Co Founder and CEO  
**BoardPro**



**Steven Bowman**

Managing Director  
**Conscious Governance**



**David Bartlett**

Partner  
**Resolve Consulting**



**Let's start with  
a mindshift**



# Strategy Innovation and Risk



## The Board itself: an internal review

- Something negative that happens to the organisation
- The potential for loss
- Something can go wrong



## How staff view risk

- Is complicated and difficult
- Something to monitor and reduce
- A compliance issue that we have to do



# Key Documents

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01

Risk Register

02

Risk Treatment Plans

03

Compliance breach register



# **Risk management is not risk Registers!**

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Invest in risk  
management software



Risk should be an ongoing conversation...



Not a compliance reporting function





Reduce the **possibility of risk** occurring



Reduce the **impact of the risk** if it was to occur



What innovative strategies can we implement that will...



#1

## Insight

Refocus attention of risk managers, senior staff and Board on strategic opportunities arising from managing the risks, and possible revenue opportunities. Ensure risk is not seen as just a compliance issue but is a strategic issue that could provide competitive advantage





The role of the board and risk





#2

## Insight

Add two extra columns to risk management plans 'Strategic Opportunities' to facilitate looking at risk as also a strategic opportunity, not just a compliance issue, and 'Revenue Possibilities' to identify possible new revenue sources





# Board responsibility



01

Does the risk management policy address the opportunity aspect of risk?

02

Is the Risk Appetite Statement in line with our strategic priorities, and do staff and Board find this useful guidance?



# Board responsibility

03

Does the Board Committee charged with risk oversight regularly review risk management progress with senior executives?

04

Does our Board receive succinct reports on the two or three Board-approved critical risks that have the potential to significantly impact the organisation, and do they find these reports useful in shaping strategic conversations?





# Board responsibility



05

Is the culture of our Board one of risk mitigation or strategic opportunity?

06

Has our Board established one or two key performance indicators (KPIs) for the CEO that reflect this risk management role?



# Board responsibility

07

**Conduct an annual review of the key risks asking the questions:**

What has worked with managing this risk? What has not worked? What have we missed? What should we add? What should we take out?





#3

## Insight

Regular reports to Board that focus on the agreed 3 or 4 key risks, how they are being managed, what else could be done to better manage, how to extract strategic advantage and where revenue streams might be possible





# Embedding Risk into Board Processes



- Board charter
- Board Induction
- Board Agenda
- Board Committee
- Annual Report



# Templates for you

## → Risk register

Category	Risk	Potential (/5)	Impact (/5)	Control (/5)	List of Controls	Risk Level (Pot+Impact+Control)	Priority	Date Reviewed	Risk Manager

## → Risk Treatment plans

Risk	Priority	Treatment Options	Scope	Resources	Start	Finish	Risk Manager	Success measure	Ethical implications	Strategic Opportunity	Revenue possibilities

## → Compliance Breach Register

Risk	Compliance Breach	Proposed outcome and status report	Risk Manager	Due date	Impact of Breach



# Board Risk Report

ABC Corporation Ltd.											
Risk Summary Report to the Board of Directors										26/03/202X	
Risk Register Reference	Title	Person/s Responsible	Risk Characteristics		Mitigation Activities	Future actions	Control Effectiveness	Residual Risk	Risk Improvement	Strategic Opportunities	Est Annual Value of Opportunities
26	Inadequate Strategic Planning	Board and CEO with GM Strategy	Risk Type	Strategic	<ul style="list-style-type: none"> <li>Regular Board Review of our Strategy</li> <li>Community and Clinical Councils</li> <li>Yearly Strategic Planning review</li> <li>Align to Community Needs Assessment</li> </ul>	Board will review strategic directions June 2021	Excellent	Low	↑	With powerful strategy, we can outbid others for service and research funding	\$ 330,000
Likelihood	Likely										
Consequence	Catastrophic										
Inherent Risk	Extreme										
32	Over-committing org to multiple activities	CEO and GM Business Development, liaising with Board Chair	Risk Type	Reputational	<ul style="list-style-type: none"> <li>Board approves contracts for all new work</li> <li>Set priorities for new work</li> <li>Risk assess all new projects</li> <li>CEO and GMs manage Board and community expectations</li> </ul>	Nil	Good	Low	↗	CEO and Board must reserve capacity to respond to urgent requests	\$ 1,100,000
Likelihood	Likely										
Consequence	Major										
Inherent Risk	High										
51	Reputational risk due to poor culture	Staff: CEO and GM Strategy, liaising with Board Chair	Risk Type	Reputational	<ul style="list-style-type: none"> <li>Board sets and models appropriate culture</li> </ul>	Undertake culture survey of whole org in Dec 2021 quarter	Good	Moderate	⇒	Strong culture can be a point of difference when recruiting staff and Directors	-
Likelihood	Likely										
Consequence	Major										
Inherent Risk	Extreme										
etc			Risk Type	Governance			Non-existent	High	↘		
Likelihood	Rare										
Consequence	Insignificant										
Inherent Risk	Low										
etc			Risk Type	Governance			Non-existent	Extreme	↓		
Likelihood	Rare										
Consequence	Insignificant										
Inherent Risk	Low										
<b>Total</b>										\$ 1,430,000	

ABC Corporation Ltd.		
Strategic Issues or Implications for discussion by the Board of Directors		26/03/202X
Agenda Reference Number	Item	Recommendation
5.3	Board Directors are aware that there has been a series of industry discussions about possible changes of the funding approach for one of our major Sources of Government Funding. It is imperative we determine our position and strategy now. This will allow CEO and GMs to effectively mobilise and collaborate with colleagues in other agencies, as well as supportive peak bodies and lobby groups.	See briefing paper with recommendations at Item 5.3 in the Agenda for this meeting
5.4	Insert Text Here	



**Brett Herkt**

**in** [www.linkedin.com/in/brettherkt](https://www.linkedin.com/in/brettherkt)



**Steven Bowman**

**in** [www.linkedin.com/in/stevenbowmangovernance](https://www.linkedin.com/in/stevenbowmangovernance)



**David Bartlett**

**in** [www.linkedin.com/in/davidatresolve](https://www.linkedin.com/in/davidatresolve)



# Webinar Schedule

Feb - April 2024



79. Identifying and managing conflict of interest

Apr 11

80. Getting your Board Skills Matrix right

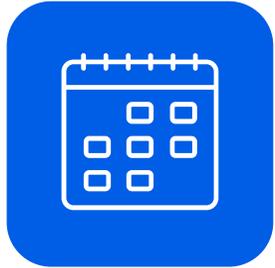
Apr 18

81. How to manage committees

Apr 24

82. Helping directors to be more strategic

Apr 25



# Masterclass Schedule

April - May 2024

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**Writing better board papers (4 modules)**

Apr 9

**Creating Effective board minutes (3 modules)**

April 16

**Due diligence before directorship**

May 1

**How to become a great board chair**

May 2



**Thank you**

