# 20 Questions

## Directors Should Ask about Risk

Hugh Lindsay, FCA, CIP

The Canadian Institute of Chartered Accountants

## How to use this publication

Each "20 Questions" publication is designed to be a concise, easy-to-read introduction to an issue of importance to directors. The question format reflects the oversight role of directors which includes asking management – and themselves – tough questions.

The questions are not intended to be a precise checklist, but rather a way to provide insight and stimulate discussion on important topics. In some cases, Boards will not want to ask the questions directly but they may wish to ask management to prepare briefings that address the points raised by the questions.

The comments that accompany the questions provide directors with a basis for critically assessing the answers they get and digging deeper if necessary. The comments summarize current thinking on the issues and the practices of leading organizations. They may not be the best answer for every organization.

Thus, although the questions apply to any organization, the answers will vary according to the size, complexity and sophistication of each individual organization.

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The Canadian Institute of Chartered Accountants

INSTITUTE OF CORPORATE DIRECTORS

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# Preface

The Risk Management and Governance Board of the Canadian Institute of Chartered Accountants (CICA) has developed this briefing to help members of Boards fulfill their responsibility for the oversight of risk. It is intended primarily to help individual directors but Boards may also wish to use it for orientation and discussion.

The oversight role of a director includes asking management tough questions to assure themselves that risk has been fully considered in the strategic and business planning processes. This briefing provides suggested questions for Boards to ask the CEO, senior management, professional advisors – and itself. For each question there is a brief explanatory background and some recommended practices. We hope that directors and CEOs will find it useful in assessing their present approach to the governance of risk and enhancing it where appropriate.

This publication is one of CICA's "20 Questions" series for directors. The text includes references to other titles that expand on individual topics.

The Board acknowledges and thanks the members of the Directors Advisory Group and Risk Management Advisory Group for their invaluable advice, Hugh Lindsay, who wrote this briefing under their guidance, and the CICA staff who provided support to the project.

**Frank Barr**, FCA
Chair, Risk Management and Governance Board

The Toronto Stock Exchange guidelines call for Boards to take responsibility for the

"adoption of a strategic planning process and the approval, on at least an annual basis, of a strategic plan which takes into account, among other things, the opportunities and risks of the business."

# Directors and Risk

Among other responsibilities, boards of directors are now being held increasingly accountable for participating in the development of their organization's strategic direction, approving it and ensuring that appropriate processes and controls are in place to identify, manage and monitor the business risks that follow from their organization's business strategy. The Joint Committee on Corporate Governance described the Board's role in their final report *Beyond Compliance: Building a Governance Culture*:

> Boards' involvement in strategic planning and the monitoring of risks must recognize directors are not there to manage the business, but are responsible for overseeing management and holding it to account. Where the lines are clear, and roles are respected, effective Boards will contribute to the development of strategic direction and approve a strategic plan. They will oversee the processes that management has in place to identify business opportunities and risks. They will consider the extent and types of risk that it is acceptable for the company to bear. They will monitor management's systems and processes for managing the broad range of business risk. And most important, on an ongoing basis, they will review with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

There is no single process that works for every Board and every company. In our view, it is the joint responsibility of the "independent Board leader" and the CEO to develop ways to involve the Board in the ongoing processes of strategic planning and risk management that are constructive and appropriate to the circumstances of the company.

Risk management theory and practice have evolved considerably in recent years and continue to do so. One of the biggest changes has been the development by larger organizations of a coordinated or integrated approach to risk management often described as *"Enterprise Risk Management"* (ERM). The basis of ERM is that every part of an organization is responsible for managing risks in it own area of business activity using processes and guidance provided by a centralized risk management coordinator. Some larger organizations appoint a Chief Risk Officer or other senior executive. Others have risk management committees or other coordinating mechanisms. CICA's *Managing Risk in the New Economy* provides a detailed description of the ERM process.

# The Questions Directors Should ask about Risk

This section contains the twenty questions that the Board can ask to assess how effective it is in meeting its responsibilities for the oversight of strategic planning and risk.

The questions are organized into four groups. The first three deal with the organization as a whole and the directors may choose to use them in discussions with the CEO and other members of the senior management team. Alternatively, these questions can provide the basis for one or more presentations to the Board. The groups roughly correspond to the elements of an integrated risk management process:

- Strategic Planning and Risk: identifying, analyzing and assessing business risks and opportunities
- Risk Management Processes: designing and implementing strategies for managing business risks
- Risk Monitoring and Reporting: implementing processes to monitor and communicate business risks.

The questions in the fourth group – Board Effectiveness – are primarily directed at the Board itself and may be more appropriate for discussion among the directors.

Asking questions is only the first step. Directors must satisfy themselves that the answers are appropriate and that risks are properly identified and managed. They pay close attention to briefings and information from management, and then test what they learned against their own personal observations, experience, general knowledge and good sense. They also respect their "gut feelings" – their experienced-based intuition that warns them that something's wrong. Intuition alone isn't enough to challenge answers, but it's valuable if it gets people's attention and prompts them to ask more probing questions.

Risk management can be a complex process but the basic concepts are very simple. There are really just four choices of risk management strategy:

- Avoiding risk by choosing not to undertake certain types of activity
- Transferring risk to third parties through insurance, hedging, outsourcing, etc.
- Mitigating risk through preventive and detective control measures
- Accepting risk, recognizing that the benefits of doing so outweigh the costs of transfer or mitigation.

Board members will find it useful to bear this in mind when asking the questions and assessing the answers.

The twenty questions in this briefing are intended to help Boards work with senior management to develop practical ways to monitor and assess the organization's processes for identifying and managing its business risks. With each question there is a brief discussion that provides background on the reasons for asking the question and the risk management objectives. Following the discussions are several "recommended practices" based on the current application of Enterprise Risk Management in leading companies. The practices do not necessarily reflect current practice or the right answer for every organization. Rather, they provide pointers to help Boards guide and focus their discussion with the CEO and the management team. The important consideration is not "Do we follow these practices?" but "Do our practices achieve the same risk management objectives?"

## Strategic Planning and Risk

Boards are responsible for approving the overall strategic direction of their company. As part of the planning process, Boards must clearly understand their company's current business strategy, its critical success factors and the related business risks.

Effective Boards actively participate with the CEO and senior management in setting the overall strategic direction of their company and approving its strategic plan. They oversee the processes and controls that management has in put in place to identify and manage business risks. They actively review the potential impact of these business risks on the achievement of company's strategic objectives. And, after careful consideration of the opportunities and risks, the Board determines the nature and extent of business risks that are acceptable for the company to bear.

> "It is never too late to become what you might have been."
>
> George Eliot

## 1. How do we integrate risk management with the corporation's strategic direction and plan?

See also 20 Questions Directors Should Ask About Strategy

An organization's strategy leverages its physical, financial, intellectual, and technological resources to gain and sustain a competitive advantage in the market place. Implementing a strategic plan often includes venturing into new and profitable business opportunities, discontinuing unprofitable ones and solidifying its other business operations. Managing the associated risks involves considering the financial viability of new initiatives and investments, as well as assessing the implications of internal and external opportunities and threats for the organization as a whole.

### Recommended practices:

The Board contributes to the development of strategic direction and approves the strategic plan with a thorough understanding of the business risks that may affect the achievement of the strategic objectives.

The strategic planning process takes into account the organization's core competencies, its goals and objectives and the strengths, weaknesses, opportunities and threats faced by the organization. The strategic planning process also takes into account forecasts and assumptions made by the management team.

Risk management activities are integrated with the development and implementation of the organization's strategic plan.

Key performance targets are based on active consideration of the tradeoffs between risk and reward.

Strategic and operating plans are not just based on best-case scenarios but include an active consideration of a range of scenarios that includes the worst-case.

## 2. What are our principal business risks?

Most organizations face a number of "principal business risks" that are critical to their success, survival and strategy. It is important that directors know and understand what these major risks are and that management provides the Board with regular briefings on them. Examples include: changes in world prices of gold, oil or other commodities; the safety of consumer products; the integrity of dams, nuclear power stations and other large structures.

A major contributor, or potential risk to an organization's success is the calibre of the people who work for it. Good people with the appropriate resources are more likely to get results than a team with limited talent or means.

### Recommended practices:

See also 20 Questions Directors Should Ask About Executive Compensation

The Board ensures that management has a structured process for identifying, monitoring and managing the organization's business risks and providing regularly scheduled briefings to the Board.

Strategic planning includes considering a range of scenarios (including the worst-case) for major changes in prices, catastrophic events and other principal business risks.

## 3. Are we taking the right amount of risk?

Risk taking is closely related to an organization's values and the expectations of its owners or key stakeholders. It is important that the Board and management have a common understanding of their risk tolerance levels and base them on the organization's appetite and capacity for risk. The Board and management should appropriately balance "value protection" with "value creation", when agreeing upon the organization's overall risk tolerance levels.

There is a continuum of risk taking that runs from day-to-day risk routine tasks such as extending credit, bidding on contracts, making individual investment decisions, etc., to major new investments and initiatives that change the strategic direction of the organization. The Board should be satisfied that the organization has processes to ensure that all risk-related decisions are properly made. However, the Board must be directly involved in major decisions and should ensure that the associated risks receive the weight they deserve.

Organizations with a large appetite for risk pursue opportunities that could pay off handsomely — or fail to repay the investment. Biotech, prospecting for minerals, and other industries that require investments with no guarantee of return are legitimate high-risk ventures. Other organizations may have a smaller appetite for risk and place a higher value on preservation of capital and more gradual growth.

The capacity to take risk is also related to the organization's financial position and the scale of investment in proposed ventures. A highly leveraged company with limited working capital, pursuing a growth strategy, may very well be exceeding its capacity to assume risk. Under such circumstances, it is not inappropriate to reconsider the strategic direction of the company and temper it with reality, at least for the short term. On the other hand, a company that finances its growth from the cash generated by its operating activities may have a greater capacity to assume the risks of its growth strategy. Successful organizations understand risk tolerance and take risks intelligently.

### Recommended practices:

The strategic planning process takes into account the organization's appetite and capacity for risk and uses techniques such as risk and sensitivity analysis to determine its exposure to risk.

The impact of individual risks is minimized, where cost effective, by the use of specific risk management techniques such as insurance and hedging, which address timing and leverage factors.

There are clearly defined processes in place for setting, approving, monitoring, and communicating risk tolerance levels for all major types of risks and ensuring that business strategies are compatible with them.

The Board knowledgeably approves the broad risk tolerance limits for the organization along with the types of risks that it can or cannot take.

Risk tolerance levels are regularly reviewed and adjusted to current external conditions, and the financial capacity and current objectives of the organization.

There are processes to ensure that people in the organization operate within the risk tolerance levels approved by the Board.

## 4. How effective is our process for identifying, assessing and managing business risks?

See also Managing Risk in the New Economy

Boards need not be familiar with all the many individual risks that face their organization, but they must be satisfied that it has comprehensive and effective risk management processes.

Identifying, assessing, and managing the risks that an organization faces can be a complex and challenging job. There are, however, a number of techniques and guidelines that can save time and help identify, assess and manage business risks.

The objectives of identifying, assessing and managing risk are valid for every organization. The processes and practices they adopt will depend on their size, nature and complexity. The following recommendations reflect the state-of-the-art practices of leading companies, particularly financial institutions and utilities. Other organizations can adapt them to their own specific circumstances.

### Recommended practices:

The Board ensures that the organization has:

- A well-defined process for categorizing risks that covers strategic, operational and corporate reporting risks – both financial and non-financial. The classification framework is developed in sufficient detail to enable management to use it as the basis for establishing and maintaining risk management policies and processes.

- A well defined risk management framework that clearly identifies the principal risk factors for the organization's specific businesses, objectives, processes and activities.

### 5. Do people in this organization have a common understanding of the term "risk"?

Left undefined, "risk" can mean different things to different people. For example, traditionally a "risk" was defined as a specific peril or threat and "risk management" meant buying insurance and taking other steps to protect against financial losses. Today, the terms "risk" and "risk management" have come to cover all aspects of being in business and include both opportunities and threats.

### Examples of areas of risks:

- Market conditions; new competitors; political and regulatory environments
- Business processes; technology; human resources; business interruption; environmental issues; crises
- Quality of products and services; illegal or unethical acts
- Brand image
- The integrity of the quarterly and annual financial statements including Management's Discussion and Analysis
- Off-balance sheet items, securitizations, derivatives.

It does not matter exactly how an organization defines risk, but it is of critical importance that the Board, the senior management and the company employees, all have a common understanding of what the term "risk" means in terms of their individual responsibilities.

### Recommended practices:

The organization's policies and procedures for strategic planning and risk management include definitions and categorization of risks. These definitions and categorization of risks are communicated, at the appropriate level of detail, to everyone in the organization.

## Risk Management Processes

The successful implementation of corporate strategic plans requires processes and procedures that guide the business planning of managers and the actions of individual employees. This requires direction, coordination and communication.

### 6. How do we ensure that risk management is an integral part of the planning and day-to-day operations of individual business units?

Organizations need to provide clear direction on risk management to ensure consistent performance. Consideration of business risk should be a regular part of day-to-day operations rather than something that employees need to pay attention to separately.

### Recommended practices:

There is a comprehensive and well articulated set of risk management policies (including thresholds for acceptable levels of risk) and programs, appropriate approvals and regular reviews to ensure ongoing relevance.

Business unit managers integrate risk management activities with business strategies and the business unit/function planning process that produces the budget and includes their performance targets. Business plans at all levels of the organization identify business risks

and opportunities and incorporate the appropriate level of resources for managing risk.

## 7. How do we ensure that the Board's expectations for risk management are communicated to and followed by the employees in the company?

Strategies are more likely to succeed if everyone in the organization knows what they are and how to contribute to achieving them. Boards should ensure that there are processes in place to communicate a consistent message.

### Recommended practices:

The organization has a program of communication and training on risk that includes creating awareness of risk, promoting a risk-aware culture, and providing guidelines on policies and procedures for individual employees.

Risk awareness and culture in the business units and functions are regularly monitored using such techniques as internal audit reviews, risk and control self assessment workshops and employee surveys.

## 8. How do we ensure that our executives and employees act in the best interests of this organization?

The CEO is responsible for ensuring that the conduct of senior executives and other employees is appropriate and can withstand public scrutiny. The challenge is to act ethically while striving to meet the goals of maximizing value and achieving performance targets. This requires that the people concerned have a common understanding of what it means to act in the best interests of this organization. It also means that employees are compensated and rewarded for actions that benefit the organization and its stakeholders.

### Recommended practices:

The organization has a written Code of Conduct, reviews it annually and requires key employees to provide a signed annual statement of compliance. The CEO monitors the actions of senior executives and acts on breaches of the Code.

The corporation's compensation and reward systems explicitly recognize positive actions and success by senior executives in achieving targets for managing principal business risks. The systems also recognize and respond to failures to effectively manage risks.

See also 20 Questions Directors Should Ask About Executive Compensation

Corporate executives establish the risk management "tone at the top" and demonstrate leadership by setting an example for others to follow.

## 9. How is risk management coordinated across the organization?

Every business unit in an organization plays some part in risk management. In most cases, the managers and staff are responsible for the risks directly related to their day-to-day activities. There may also be specialists who handle specific aspects of risk such as insurance, credit and environment. The CEO must make sure that all the risk management activities are coordinated and that no major risk is overlooked.

### Recommended practices:

The organization's strategic and operational planning processes coordinate the risk management processes of line management and the departments that specialize in specific risks.

Larger organizations may have a designated Chief Risk Officer or other senior executive reporting through the CEO to the Board of directors who is responsible for coordinating risk management across the organization.

## Risk Monitoring and Reporting

The Board's oversight role includes reviewing regular and timely information about the organization's performance and the risks that could affect the achievement of its strategic and business objectives.

### 10. How do we ensure that the organization is performing according to the business plan and within appropriate risk tolerance limits?

Monitoring performance against key targets is an essential business practice. Boards need assurance that management at all levels does this and should understand in general terms what procedures are in place. This means that the organization has appropriate mechanisms to ensure that it is achieving its business objectives and related targets without taking undue risks.

#### Recommended practices:

The corporate information systems incorporate reports on key performance targets and related risk factors.

Managers throughout the organization receive regular reports on performance and provide explanations of variances and planned corrective action.

### 11. How do we monitor and evaluate changes in the external environment and their impact on the organization's strategy and risk management practices?

Strategic plans incorporate assumptions about factors in the external world that can change at any time and significantly affect the business plan. Some factors are relatively easy to monitor – exchange rates, commodity prices, interest rates, etc. Others, such as political, regulatory and social trends are harder to quantify and assess.

#### Recommended practices:

There are processes for identifying and monitoring changes in the external environment and responding as appropriate.

There is clearly assigned responsibility for collecting and sharing information on the external environment.

The Board reviews with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

### 12. What information about the risks facing the organization does the Board get to help it fulfill its stewardship and governance responsibilities?

Board time is limited and agendas tend to be full so risk reporting should be focused and scheduled. Since strategy and risks are closely intertwined, the Board should allocate sufficient time to review and discuss all the risk related issues.

#### Recommended practices:

The Board's agenda planning includes regularly scheduled briefings to the Board or designated committees on:

- Events and trends that impact strategic plans, principal business risks or the continued validity of underlying assumptions. Briefing material should include the results of sensitivity analysis that show the range of probable financial and other outcomes. The Board can then exercise oversight over the adjustment of plans in order to take advantage of new or changed opportunities and risks.
- Specific operational risks, with presentations by the managers responsible for key functions such as finance, internal audit, human resources, health and safety, credit, legal, production, research and development, and environmental protection.
- Preparedness for predictable emergencies such as the sudden death or incapacity of the CEO, major fire, extensive product recall, facility failure, natural disasters, and terrorism.

Management provides prompt briefings to the Board on:

- Incidents that have significant financial implications or the potential to damage the organization's reputation, for example by causing injury or death. Such incidents can be addressed in a timely telephone conference call and followed-up at the next regularly scheduled Board meeting, along with the actions taken and the lessons learned and an estimate of value lost.
- Serious breaches of the Code of Conduct.

When the Board is called upon to approve a specific proposal or action the Board receives a balanced picture with information about:

- The potential risks as well as the potential opportunities
- The alternatives that were rejected as well as the proposal being advanced
- The worst-case scenario
- Management's apprehensions and uncertainties as well as its optimistic expectations.

## 13. How do we know that the information the Board gets on risk management is accurate and reliable?

Boards rely on management for much of the information they get on risk and need assurance that it is complete and accurate. This typically involves a combination of formal reports and opportunities to meet and hear from a number of sources in addition to the CEO. Regardless of the source, Board members should demonstrate healthy skepticism and ask themselves if the information they get is consistent and rings true.

### Recommended practices:

The Board gets information from a cross-section of knowledgeable and reliable sources in addition to the CEO, such as executive and financial management, internal and external auditors and external advisors.

The Board periodically requests a formal review and report on the effectiveness of the risk management process from an objective and independent source outside of senior management (e.g. internal audit, external auditor, consultant, etc.).

## 14. How do we decide what information on risks we should publish?

See also 20 Questions Directors Should Ask About MD&A

Boards are responsible for overseeing their organizations' external reporting and should be aware of any applicable legal requirements for the contents and approval of annual and other reports. The requirements for including information on risk and controls in annual reports and other external communications depend on legislation and regulations that continue to evolve.

### Recommended practices:

In addition to a report on principal business risks in the Management's Discussion & Analysis (MD&A), the annual report includes a statement of corporate governance practices that describes the Board's governance role in the area of strategy and risk.

The Board obtains timely briefings to confirm that public disclosures meet current reporting requirements.

## 15. How do we take advantage of the organizational learning that results from the risk management program and activities?

Organizations that analyze their response to crises, problems and successes can profit from their experience, if they take advantage of the opportunities they identify.

### Recommended practices:

The Board ensures that:

- Management promptly reviews the most significant lessons learned from each major business event, surprise and disaster and how it has responded to these findings.

- Management has a process for reviewing the organization's response to crises and takes action to improve the handling of similar events in the future.
- Management has put in place effective knowledge transfer processes, so that significant findings and lessons learned (both positive and negative) can be transferred quickly and effectively across the organization.

## Board effectiveness

The Board should take time to define its role in risk management. It should make sure it is organized to meet its responsibilities for ensuring that the corporation's risk management policies and programs contribute to sustainable value creation for the owners and other stakeholders.

### 16. What are our priorities as a Board in the oversight of risk management?

The Board must decide how to make best use of its limited time for overseeing risk.

#### Recommended practices:

The Board establishes its priorities and determines the scope, depth and timing of its involvement in risk management. This decision may take into account:

- The nature and status of the organization, the business it is in, how long it has existed, etc.
- The Board's level of trust and confidence in the CEO
- The degree and rate of change in the industry and other aspects of the external world
- The extent to which the organization needs to change its strategy to anticipate and respond to external opportunities and threats
- The effectiveness of the structures and processes that the Board has established to handle its responsibility for oversight of opportunities and risks.

### 17. How does the Board handle its responsibility for the oversight of opportunities and risks?

Wherever possible, the entire Board should participate in the oversight of risk. Because some areas of risk management have technical aspects that can be complex and time consuming to review, Boards may delegate the detailed work of overseeing certain aspects of risk to one or more committees such as the audit committee. In such cases, the Board must make sure that it is fully informed of the findings of the committees and that no significant aspect of risk is overlooked.

#### Recommended practices:

The Board and its committees have written policies and procedures on governance issues related to risk.

Where the Board elects to delegate specific risk-related responsibilities to Board committees, the committees are required to report their activities to the full Board at least annually.

### 18. How does the Board ensure that at least some of its members have the requisite knowledge and experience in risk?

Stock exchanges, institutional investors and other regulatory bodies are increasingly demanding that Boards include directors who understand the organization's business and its inherent risks.

#### Recommended practices:

The Board's nominating practices recognize the need to include directors who are familiar with a broad range of risks, including those that are specific to the organization's industry.

The Board takes steps to raise the awareness and understanding of risk among directors by:

- Scheduling educational sessions on risk issues and processes
- Using internal and external experts to advise the Board and committees on specific risk issues.

## 19. How do we, as a Board, help establish the "tone at the top" that reinforces the organization's values and promotes a "risk aware culture"?

Effective Boards play an active role in reinforcing an organization's approach to risk taking and risk management. They do so when they participate actively and lead by example.

The biggest challenges in developing strategy and identifying risks are denial and unwillingness to think the unthinkable. Most people are reluctant to contemplate the possibility of major stock market crashes, executive fraud, war or terrorist acts. CEOs are often optimists who may discount the risk of failure or loss. Directors can contribute to discussions of strategy and risk by providing a tough-minded "reality check."

### Recommended practices:

The Board plays an active role in discussions of strategy and risk and asks tough questions that challenge assumptions and focus on the interests of owners and other key stakeholders.

The Board's actions are compatible with and reinforce the organization's stated objectives, values and risk tolerance in such areas as:

- The choice of CEO
- The selection of directors
- The strategic plan
- The code of conduct
- Executive compensation
- The inclusion of risk management issues as regularly scheduled Board agenda items

See also 20 Questions Directors Should Ask About Executive Compensation

The Board reviews and approves the compensation package for the CEO and senior executives.

## 20. How satisfied are we that the Board is doing what it should in overseeing risk?

Effective risk management integrates and coordinates the activities of people across the organization through strategic planning, organizational culture, and policies and procedures. The Board is typically involved with committees, reports, presentations and discussions, each of which complements the overall process of risk oversight. Boards need to take time to satisfy themselves that all the pieces are coordinated and collectively support a conclusion that risk is properly managed and that the Board has fulfilled its stewardship obligations.

### Recommended practices:

The Board regularly schedules time to assess how effective it has been in meeting its responsibilities for the oversight of risk and what corrective action it needs to take.

# Where to find more information

## Canadian Institute of Chartered Accountants publications, The 20 Questions series

*20 Questions Directors Should Ask about Executive Compensation*
*20 Questions Directors Should Ask about IT*
*20 Questions Directors Should Ask about Management's Discussion and Analysis*
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*20 Questions Directors Should Ask about Strategy*

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## Conference Board of Canada

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**Hugh Lindsay** is a founder and president of FMG Financial Mentors Group Inc. He specializes in writing, training and consulting in corporate governance, risk management and strategic planning. In addition to being a Chartered Accountant, he is a Chartered Insurance Professional and a member of Financial Executives International. Prior to entering full-time consulting in 1992, he held senior financial and internal audit positions with a university and a major insurance company.

Hugh has served on the boards of a number of organizations including the Insurance Institute of British Columbia, the Institute of Chartered Accountants of BC, and the Vancouver Little Theatre Association, and is currently a commissioner on the Board of the Vancouver Museum. He was a member of the Criteria of Control Board of the Canadian Institute of Chartered Accountants and now writes for their Risk Management and Governance Board. His recent publications are *Managing Risk in the New Economy* and *Crisis Management for Directors*.

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