

NATIONAL
DIRECTORS
INSTITUTE

NDI Executive Exchange

What's on Your Mind?

Share and Discuss the Corporate Governance Issues Impacting Your Business

Board's Oversight of Enterprise Risk Management

Thursday, November 17, 2011
12:30 p.m. – 1:45 p.m.

FOLEY
FOLEY & LARDNER LLP

CO-SPONSORS

AON

D. F. King

EVERSHEDS

F T I
CONSULTING

Deloitte.

IN-KIND SPONSORS

Boardroom Bound
Reinventing Corporate America One Board at a Time

inFORUM
BOARDACCESS™
Women Enhancing Corporate Boards

NASDAQ OMX

Board's Oversight of Enterprise Risk Management

November 17, 2011

Board's Involvement in Crisis Response

Moderator:

- *Curt Creely* – Partner, Foley & Lardner LLP

Panelists:

- *Laurie Champion* – Managing Director, Aon Group Risk Consulting
- *John Gimpert* – Partner, Deloitte & Touche LLP

Background

The concept that a company's board of directors has oversight of enterprise risk management is not new. However, with the advent of enhanced regulations and required disclosures for public companies, the board's role in such function has received enhanced scrutiny. As a result of the enhanced scrutiny, boards need to be active in understanding and defining a company's risk profile and appetite and ensure that it matches its corporate strategy. Additionally, boards need to be directly involved with management of risk by designating specific individuals or committees as responsible for risk, as well nurturing a corporate culture that matches its desired risk profile. The era of deferring such matters to management, or ignoring them outright, is now over, as key stakeholders view enterprise risk management as an essential board function.

©2011 Foley & Lardner LLP

Best Practices

- Work with management to develop mutual understanding of company risk philosophy and appetite for risk
- Reach out to key stakeholders to see if the company's view of risk matches such stakeholders
- Assign specific individuals or committees as being responsible for risk
- Align risk management with corporate strategy
- Have the board directly involved with nurturing a corporate culture that matches its appetite for risk, compensation is a key driver
- Develop and implement processes to ensure the board has insight (and oversight) of ongoing risks

©2011 Foley & Lardner LLP