



**BDO Corporate
Governance Matters**

WEBCAST SERIES

The Board's Oversight of ERM

SEPTEMBER 25, 2024

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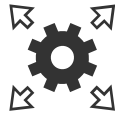
Learning Objectives

Upon completion of this session, participants will be able to:

- ▶ Describe the oversight role of the board, in contrast to management, counsel, and auditors, for evaluation and management of enterprise risk.
- ▶ Evaluate the effectiveness of management's ERM assessment and management program.
- ▶ Identify questions boards should be asking in their oversight of ERM.



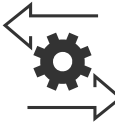
Our Agenda Today



Current U.S. Risk Environment



State of Risk Mitigation Programs



Board Criteria For and Concerns About ERM Oversight



Global Risk Considerations

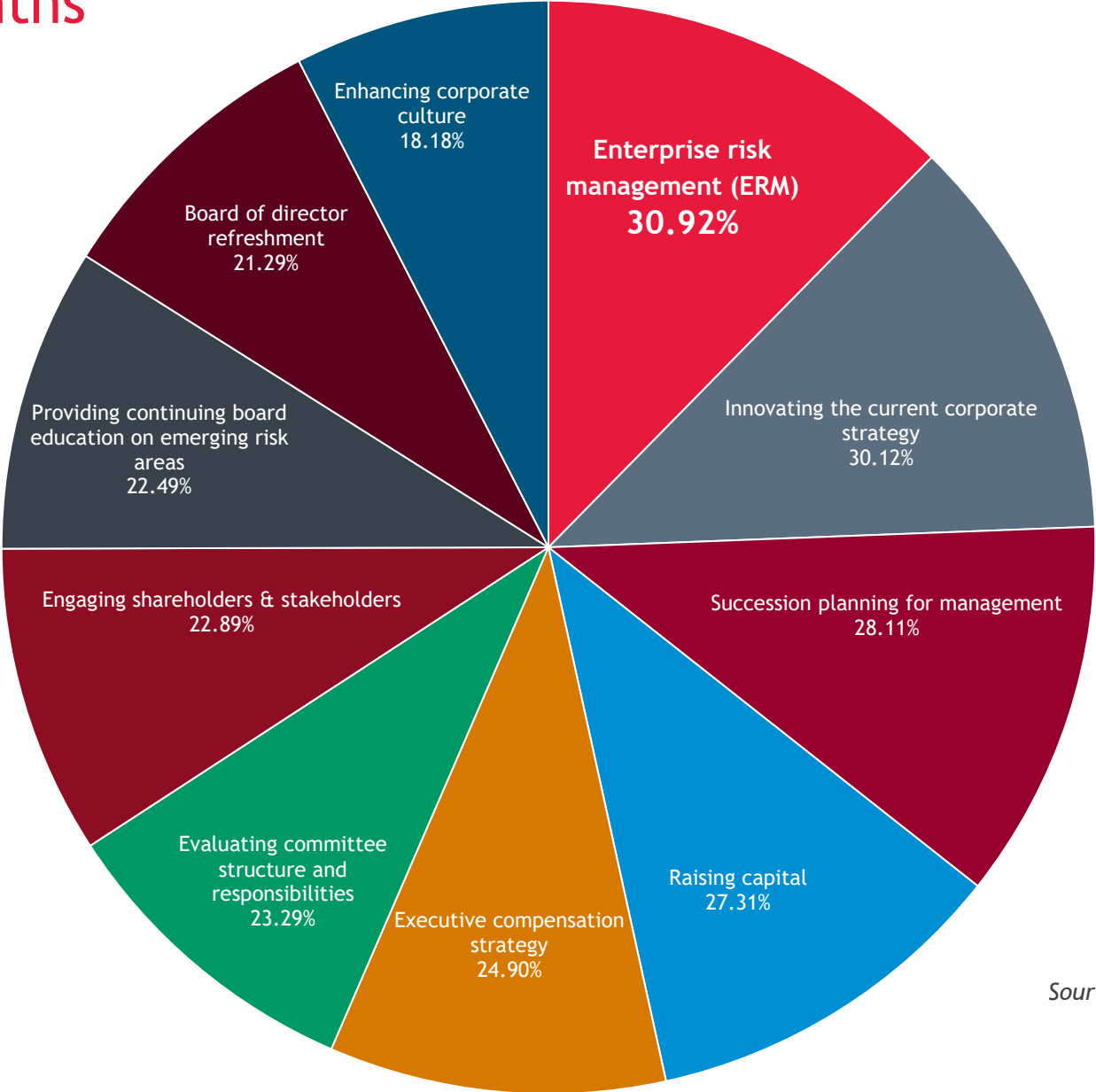


Resources



Current U.S. Risk Environment

Governance Processes that Will Require the Most Significant Time and Effort in the Next 12 Months

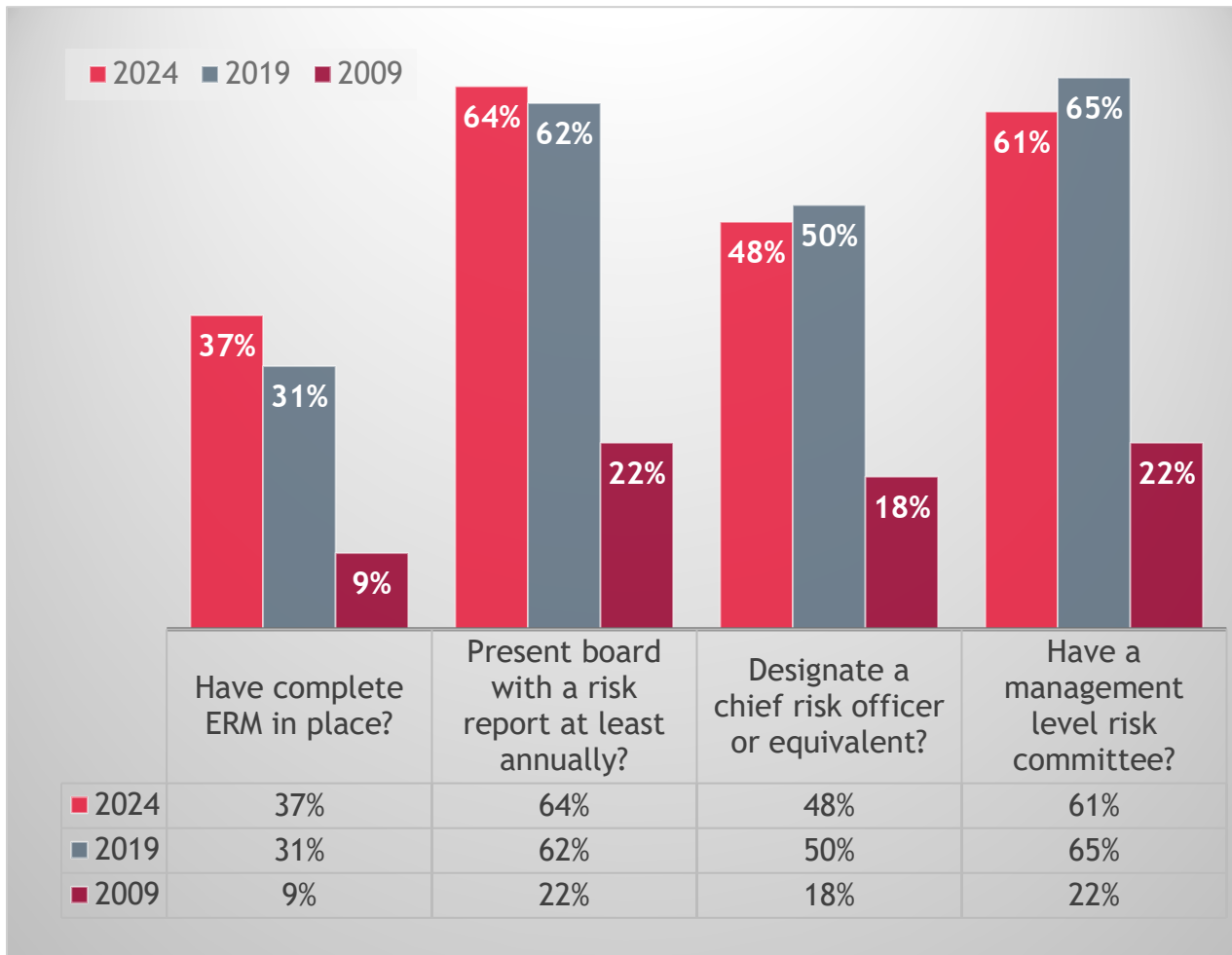


Source: 2024 BDO Fall Board Survey



State of Risk Mitigation Programs

State of Risk Oversight Report (2024) Findings



Encouraged actions:

1. Review the areas of focus and pinpoint one to three areas that offer the greatest opportunity for risk management (RM) enhancements.
2. Convene individuals who are part of the executive leadership team and use the five discussion items [in the report's chosen areas of focus] to spur robust and honest conversations about RM.
3. Develop a list of action items that address opportunities for improvements in RM capabilities.
4. Assign owners to the action items and ask them to create ad hoc working teams to help them address their assigned tasks. Set deadlines for owners to report back to the executive leadership team.
5. Keep things simple and try to not overcomplicate processes, always linking risk conversations to the strategy of the organization.

Source: *The State of Risk Oversight Report* - AICPA/CIMA/ERM Initiative at the Poole College of Management at North Carolina State University



Board Criteria For and Concerns About ERM Oversight

Evolution of Risk Oversight Across U.S. Boardrooms

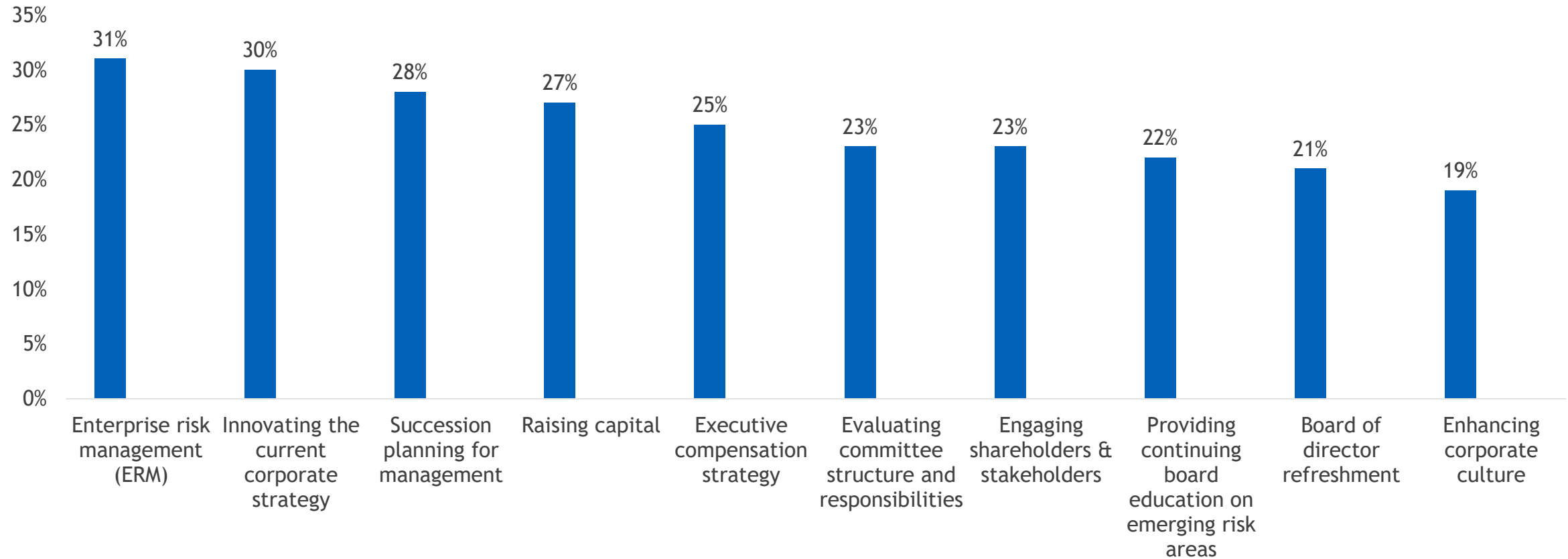
THE EVOLUTION OF RISK OVERSIGHT ACROSS U.S. BOARDROOMS

Which of the following applies to your board?



Source: Corporate Board Member and Diligent Institute, Director Confidence Index, July 2024 Survey of U.S. Public Company Board Members, BoardMember.com

Governance Processes That Will Require the Most Significant Board Time and Effort in the Next 12 Months

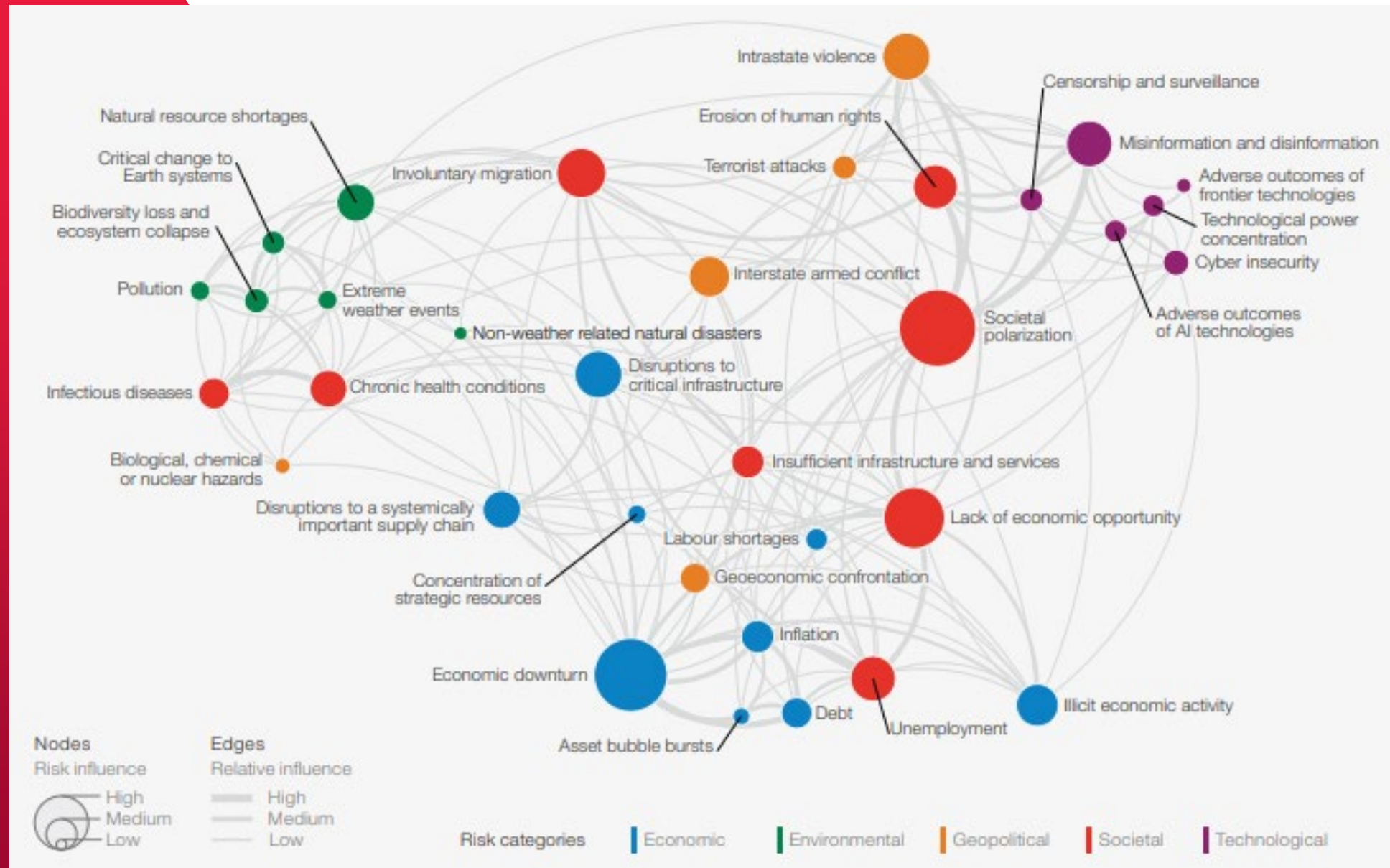


Source: 2024 BDO Fall Board Survey



Global Risk Considerations

Global Risks Landscape: An Inter-connections Map



Source: World Economic Forum Global Risks Report 2024



Questions?



Resources

The BDO Center for Corporate Governance

[BDO's Center for Corporate Governance](#) recognizes board members need easy access to comprehensive information and insights they can rely on. Corporate governance and related risks and opportunities is an evolving landscape encompassing a variety of issues and requires subject matter professionals who engage regularly with stakeholders - including regulators, management, board members and thought leaders - and share information directly with client management teams, the board and its committees. Whether you are new to board service, assuming a new role or a seasoned director who wants to remain up to date, we have you covered.

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- ▶ [BDO in the Boardroom](#) podcast series for board of directors and those charged with governance
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Q3 2024 IFRS Quarterly Update	October 16, 2024
2024 BDO Fall Board Survey	October 30, 2024
2024 Board Compensation Trends and Year-End Planning Considerations	November 20, 2024
Quarterly Technical Update Q4 2024	January 15, 2024
Q4 2024 IFRS Quarterly Update	January 22, 2025
ARCHIVED	DATE
Q2 2024 IFRS Quarterly Update	July 17, 2024
Quarterly Technical Update Q2 2024	July 10, 2024
The Board's Oversight of Artificial Intelligence	May 22, 2024
Q1 2024 IFRS Quarterly Update	April 17, 2024
Quarterly Technical Update Q1 2024	April 10, 2024
The Board's Oversight of Fraud	March 27, 2024
2024 Shareholder Meeting Agenda: Setting Expectations for Shareholder Meetings	February 21, 2024

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