

CFAGOR8

Reporting to stakeholders on risk, the mitigation of risk and internal control



Overview

This Standard is about the governing body's role in communicating to the relevant stakeholders that there is an on-going process for identifying, evaluating and managing the risks faced by the organisation. It is about the disclosure of the key risks that the organisation face and the mitigation put in place to address those key risks. It is about communicating to stakeholders what the governing body's role is and what the governing body has done throughout the reporting period.

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Performance criteria

- You must be able to:*
- P1 report on the organisation's key risks by addressing any changes to the organisational strategy and future developments and the implications for exposure to risk
 - P2 disclose how you have monitored the robustness of contingency and resilience planning for risk threats and opportunities
 - P3 report on how the organisation has reviewed, challenged and approved management's information on risk management
 - P4 report on strategically significant risks and on organisational risk oversight by linking risk reporting to discussion of the business model
 - P5 disclose any risk oversight challenges that have emerged over any reporting period and explain actions taken or planned to be taken to address them
 - P6 articulate how the organisation ensures that broader economic risks and systemic risks that could affect the organisation are taken into account
 - P7 have consideration for the impact of the disclosure of commercially sensitive risks to stakeholders

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Knowledge and understanding

You need to know and understand:

- K1 how to communicate effectively to stakeholders on the significant risks as they relate to the business model
- K2 how to embed reporting on risk into narrative reporting
- K3 how risk updates are presented to the board for assurance
- K4 how to highlight to stakeholders changes to organisational strategy following a risk event
- K5 how to clearly demonstrate to stakeholders the levels of assurance obtained by way of independent and third party verification
- K6 the current regulatory framework of disclosure and stakeholder engagement
- K7 the potential impact of the disclosure of commercially sensitive risk information

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Links to other NOS Refer to core Governance NOS (2011) suite.

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Relevant occupations

- 1000 Managers and Senior Officials
- 1112 Directors and chief executives of major organisations,
- 1114 Senior officials of special interest organisations
- 1131 Finance Managers and Chartered Secretaries
- 1135 Personnel, training and industrial relations managers
- 2000 Professional Occupations
- 2421 Chartered and certified accountants
- 2422 Management accountants
- 4000 Administrative and Secretarial Occupations
- 4214 Company Secretaries

Suite Governance of Risk (2013)

Key words Governing Body, Governance structure
