

**FREE MEMBERS ONLY WEBINAR – WEDNESDAY MARCH 27, 2013, 1:00–2:30 PM ET – BOARD OVERSIGHT OF MANAGEMENT’S RISK APPETITE AND TOLERANCE: THE NEW GLOBAL IMPERATIVE**



This IIA-Canada webinar has been sponsored by:

Following the global financial crisis of 2008 Commissions were convened around the world to identify root causes. Deficient board oversight of risk was consistently identified as a contributing factor. Regulators in countries around the world introduced new disclosure rules for public companies calling on boards to publicly acknowledge responsibility for risk oversight and describe how they discharge that responsibility. In Canada the CICA released the first guidance specifically on board risk oversight in May of 2012 and introduced training for directors with the Institute of Corporate Directors (“ICD”) to support it. Other countries, including the UK, are considering what training boards need to better discharge these heightened risk oversight responsibilities. Proactive boards are increasingly seeking help to meet these new expectations. Traditional audit approaches where auditors form subjective opinions on “control effectiveness”, and widely practised ERM methods that focus on providing boards with lists of the companies “top 20/50/100 risks”, an annual update of the company’s “Risk Register”, and production of pretty “risk heat maps” are not well equipped to meet these new expectations. This session overviews the global evolution of board risk oversight responsibilities, provides an analysis of, what the speaker refers to as, “ERM HERD MENTALITY”, and sets out practical steps companies, internal auditors, risk specialists, senior management and external advisors can take now to help boards and their organizations meet these new expectations and add real value.

**About the Speaker**

**Tim J. Leech** FCPA CIA CRMA CCSA CFE is Managing Director, Global Services at Risk Oversight Inc. He is recognized globally as a thought leader, innovator, and provocateur in the risk and assurance fields. He has provided training and consulting services and technology to public and private sector organizations in Canada, the U.S., U.K., Europe, South America, Africa, the Middle East and Asia. Tim and his daughter Lauren co-authored a 2011 paper published in the *International Journal of Disclosure and Governance* titled “Preventing the Next Wave of Unreliable Financial Reporting: Why Congress Should Amend Section 404 of the Sarbanes-Oxley Act,”<sup>[1]</sup> which was presented to U.S. Congressional Committees and the SEC. To date, no

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<sup>[1]</sup> Tim Leech, Lauren Leech, Preventing the Next Wave of Unreliable Financial Reporting: Why Congress Should Amend Section 404 of the Sarbanes-Oxley Act, *International Journal Of Disclosure and Governance*, 2011, <http://riskoversight.ca/wp-content/uploads/2011/10/PreventingTheNextWaveofUnreliableFinancialReportingWhyUSCongressShouldAmendSOX404LeechandLeech.pdf>

response has been received. In March 2012 he authored and published a controversial white paper titled, “The High Cost of ERM Herd Mentality”; and most recently in December 2012 two new articles - “Board Oversight of Management’s Risk Appetite and Tolerance” published by Conference Board Director Notes series in the U.S., and “The High Cost of Herd Mentality” published by LSE Center for Analysis of Risk and Regulation. (“CARR”) All of these papers challenge traditional approaches to risk and assurance management practiced by tens of thousands of companies and hundreds of thousands of auditors and risk specialists around the world. His thesis is that traditional ERM and audit assurance approaches are sub-optimal at best, potentially fatal at worst. He lives in Oakville, Ontario, Canada with Elaine, his wife for over 37 eventful years.

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