

SPECIAL EVENING SESSION ON

Risk Culture and Corporate Governance

November 24, 2022

New Delhi (India)

Theme

**Building a
Resilient and
Sustainable Future**

The **Institute of Directors (IOD), India** organized a Special Evening Session on **Risk Culture & Corporate Governance** in association with **ACCA (Association of Chartered Certified Accountants), UK** on November 24, 2022 on the theme **'Building a Resilient and Sustainable Future'**. The venue of the Convention was India International Centre, New Delhi. The event was attended by eminent experts, leading industrialists & Corporate Directors from India.

The **'Welcome Address'** was delivered by **Mr. Pradeep Chaturvedi**, Vice President, Institute of Directors, India. He welcomed all the delegates, participants, and guests to the Special Evening Session. He highlighted IOD's Mission of **'Building Tomorrow's Boards'**, and training professionals to improve effectiveness in Boardrooms. IOD and ACCA have association on the basis of similar mission of preparing

financial experts for Boards. Addressing the theme, he mentioned that **organisations are engines of 'social transformation' and 'sustainable growth'**. Boards must promote risk culture and carve out a robust, risk aware governance framework to build them into resilient organisations, for a sustainable future. **When risk management is seen as a 'tick-box' exercise rather than a genuine priority, investment in risk capability and systems may be insufficient to really achieve adequate effectiveness.**

The **'Guest of Honour Address'** was delivered by:

Mr. Dhanendra Kumar, IAS (Retd.)

Chairman, Committee on National Competition Policy of India
former Chairman, Competition Commission of India
former Secretary to Government of India, and
former Executive Director, World Bank



Distinguished guests & dignitaries, attending the Special Evening Session on
'Risk Culture and Corporate Governance: Building a Resilient and Sustainable Future'

Mr. Kumar spoke about the **three pillars of business**, i.e. **Risk Culture, Corporate Governance**, and **ESG**, and shared how these are important in building a **resilient sustainable future**. He started by explaining risk culture where he discussed the importance of economic ecosystem and risks. He said that risk culture should not be embedded just as another audit and control function. In this context, he briefly gave the example of Kodak. He went on to discuss the second pillar i.e. corporate governance. He referred to the 'welfare state' directive principle of the constitution, and said that the principle also applies to the private sector as much as the public sector. Moving to ESG, he said that each of the ingredients of ESG have a direct impact on the organisation, people and planet. He spoke about the importance of ESG, and also the challenges of fully adopting it. He said, "While corporate leaders deal in compliances, it's important they also incorporate sustainability". The government has taken away many restrictions for the green industry. Smart cities and circular economy are all part of a new narrative. He concluded with, **we only have one planet; and we have reached a stage where everyone needs to see what they can do.**

The '**Keynote Address**' was delivered by:

Ms. Helen Brand OBE

Chief Executive

ACCA (Association of Chartered Certified Accountants), UK



Esteemed Speakers at the Special Evening Session
(L to R) **Mr. Pradeep Chaturvedi**, Guest of Honour **Mr. Dhanendra Kumar IAS (Retd.)** & Keynote Speaker **Ms. Helen Brand OBE**

Ms. Brand shared a few interim findings from the Global Survey with the Professional Risk Managers' International Association and the Association of Insurance and Risk Managers in Industry and Commerce. Through the Survey, she said they found the following:

- **Importance of Accountancy** – To measure risk as well as provide the information and governance, necessary for ensuring that risk is in conversations across the organisation.
- **Multi-faceted Accountancy** – Accountancy has become more multi-faceted since the pandemic. Today, the risk



Mr. Pradeep Chaturvedi
Vice President
Institute of Directors
initiating the proceedings for
the evening with a '**Welcome Address**'



Mr. Dhanendra Kumar, IAS (Retd.)
Chairman, Committee on National
Competition Policy of India;
former Chairman, Competition Commission of India;
former Secretary to Government of India &
former Executive Director, World Bank delivering the
'**Guest of Honour Address**'



Ms. Helen Brand OBE
Chief Executive
ACCA (Association of Chartered Certified
Accountants), UK
delivering the '**Keynote Address**'



Mr. Pradeep Chaturvedi handing over the IOD Memento to **Ms. Helen Brand OBE** following her 'Keynote Address'

culture of an organisation decides the ability to survive and thrive in this volatile world.

- **Changing generational perspectives** – It was found that the younger generation feels more comfortable speaking up about a wrongdoing in comparison to older respondents, and therefore uses the latest governance mechanisms such as 'whistle-blower policies'.
- **Cyber & Cyber Security** – It remains a top risk priority for local respondents in India.

She said, "The challenge is getting risk in conversations up and down the firm, and accountancy professionals are well positioned to facilitate that because they are trained to monitor and update governance frameworks". She ended with a famous quote by **Mr. Jeff Bezos**, Founder, Executive Chairman, and former President and CEO of Amazon - **"The thing I have noticed is that when the anecdotes and the data disagree, the anecdotes are usually right."**



Panel Discussion on 'Risk Culture and Corporate Governance: Building a Resilient and Sustainable Future' (L to R) **CA Atul Gupta**, **Mr. Rahul Chhabra IFS (Retd.)**, **Mr. N. G. Shankar** & **Ms. Helen Brand OBE**



CA Atul Gupta
Board Member, International Federation of Accountants (IFAC), and XBRL International, Inc. (XII) & Past President, The Institute of Chartered Accountants of India (ICAI)



Ms. Helen Brand OBE
Chief Executive ACCA (Association of Chartered Certified Accountants), UK



Mr. Rahul Chhabra, IFS (Retd.)
former Secretary Economic Relations, Ministry of External Affairs Govt. of India



Mr. N. G. Shankar
Independent Director Svatantra Microfin Private Limited



Distinguished Speakers of the panel discussion after the handing over of IOD Mementos by **Mr. Ashok Kapur, IAS (Retd.)**, Director General, Institute of Directors (L to R) **CA Atul Gupta, Mr. Rahul Chhabra IFS (Retd.), Mr. N. G. Shankar & Ms. Helen Brand OBE**

This was followed by **Panel Discussion** on the theme, **Risk Culture and Corporate Governance: Building a Resilient and Sustainable Future**. The Moderator of the Session was:

CA Atul Gupta

Board Member, International Federation of Accountants (IFAC), and XBRL International, Inc. (XII);
Past President, The Institute of Chartered Accountants of India (ICAI)

The Panel had the following **'Distinguished Speakers'**:

- 1. Ms. Helen Brand OBE**
Chief Executive
ACCA (Association of Chartered Certified Accountants),
UK
- 2. Mr. Rahul Chhabra, IFS (Retd.)**
former Secretary - Economic Relations
Ministry of External Affairs
Govt. of India
- 3. Mr. N. G. Shankar**
Independent Director
Svatantra Microfin Private Limited

Mr. Gupta asked many varied questions from all panellists that included issues such as skill gap, stability of policy, importance of risk culture, geopolitical relations as a risk factor, etc.

Ms. Brand said that 'risk' and 'strategy' are the two sides of the same coin. The responsibilities and insights of Chief Risk Officers (CROs) are much more spread out than just assessing risks. On the issue of skill gap, she said that boards need to make sure what insights are important in data. According to her, ESG and integrated thinking comes in when addressing the problems on skill gap. A holistic approach is needed in boardrooms. With shifting nature of risks, "engagement & understanding social processes are absolutely critical".

Mr. Chhabra spoke on the effect of geopolitical relations on supply-chain risks. He said that such risks are predominantly faced nationally, rather than individually by an organisation. He



Mr. Gaurav Kapur, Head – Public Affairs (India), ACCA delivering the **'Closing Remarks'** at the Special Evening Session

reminded everyone of the 'Plus One' Policy in addressing disruptions in supply-chain. While discussing 'Good Governance', he said, "If it is good for governance, it is good for the organisation". He also spoke on the effect of stability in policies as an important ingredient of risk, where he mentioned that people should invest assuming that policies won't change. He said that public usually focuses on bigger issues such as 'profit-line' and 'bottom-line'.

Mr. Shankar highlighted the importance of Risk Culture, and said it is not only for effectiveness of company, but simply for the existence of a company. Every board member is different and comes from a different board. He quoted **Mr. Peter Drucker**, "Culture eats strategy for breakfast". There are two kinds of cultures, 'organisational' & 'departmental'. While explaining **risk culture**, he quoted, **"it's not just the tone at the top, mood at the middle and buzz at the bottom"**. According to him, Innovation is a part of Risk Culture & Risk Culture is a subset of organisational culture. He suggested that leadership must align the right culture across the organisation. He highlighted that risks should not just become a tick box exercise. On ESG, he



Mr. Manoj K. Raut, Chief Executive Officer & Secretary-General, Institute of Directors, India (IOD) and **Ms. Helen Brand OBE**, Chief Executive, ACCA (Association of Chartered Certified Accountants), UK during the MOU signing between IOD, India & ACCA, UK

emphasised especially on the 'S' in ESG and shared a successful example of ITC in achieving carbon neutrality.

The **Panel Discussion** concluded with an interactive **Question & Answer Session**.

This was followed by the signing of the **Memorandum of Understanding (MoU)** between the Institute of Directors (IOD) and ACCA (Association of Chartered Certified Accountants), UK. Institute of Directors, India was

represented by its Chief Executive Officer & Secretary-General, **Mr. Manoj K. Raut** and ACCA (Association of Chartered Certified Accountants), UK by its Chief Executive, **Ms. Helen Brand OBE**.

The '**Closing Remarks**' and '**Vote of Thanks**' were proposed by:

Mr. Gaurav Kapur

Head - Public Affairs (India)
ACCA (Association of Chartered Certified Accountants), UK

Mr. Kapur thanked the entire gathering for their valuable presence. Based on the rich discussion held on risk culture, he stated a quote of **Mr. N. G. Shankar**, "The absence of culture will eat the organisation at large." He concluded with a quote by Mr. Peter Drucker, "If an organisation does not care about risks, it's in risky business."

Authorities of India International Centre were also thanked for the excellent arrangements. ■

This Report is compiled by:

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