Schroders
Banks: A new approach to risk

Governance, culture and risk in a revamped banking industry

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Executive summary
Banks have a long way to go to improve risk governance and culture

The impact of the financial crisis on the banking sector has been tremendous. Yet, despite the increased regulatory burden facing banks, many institutions still have a long way to go to fully address two key risk management areas: governance and culture.
We engaged with a sample of European and US banks with the aim of identifying best practice in these key risk management areas. The aim of the research was to identify the banks most likely to preserve shareholder value over the long term. The analysis focused on a limited number of indicators which reflect what we consider to be good risk governance and appropriate cultural change. These indicators include transparency around the board’s oversight function, the use of dedicated risk committees, the appointment of Chief Risk Officers (CROs) and the role of the Chief Financial Officer (CFO) and Chief Compliance Officer (CCO). We have assessed how risk management has been integrated into remuneration structures. We have also considered the independence, capacity and effectiveness of the compliance and risk functions.

We have concluded that risk management regulations are not yet prescriptive enough in Europe to impose a “good governance” model. We believe that bank management needs to go beyond standard box-ticking exercises to ensure robust risk management is achieved.

Key findings include:

- A lack of risk management expertise. Historically, risk management has been under-resourced in the banking sector. This has restricted the ability boards have to deal with unforeseen risks. It also limits the ability of the CRO to implement the framework necessary to properly manage risk in large and systemically important organisations.

- The limited authority of CROs. We think the sector has yet to recognise the key role played by risk specialists.

- The importance of non-compliance issues. These are significant issues which should be managed as risks, but many banks are yet to change their approach.

- The independence of control functions should be clarified and strengthened. Oversight needs to be as free as possible from management interference. As part of this process, banks should also be more transparent about how these functions are resourced.

Engaging with banks remains the best way of highlighting that investors are increasingly paying attention to these crucial issues. Engagement also allows us to encourage best practice across the banking sector.

Changing the broader banking culture will take years, but we think that establishing good governance is the first step towards achieving this.
The banking sector has not been the same since the beginning of the financial crisis. In addition to institutional failures and major direct losses for shareholders, the economic consequences of what is considered to be one of the most severe recessions of modern times continue to impact the sector.

From the initial losses associated with an inappropriate approach to risk management and poor credit decisions, banks continue to face material financial bills. The costs of regulatory adjustment as well as litigation and customer compensation fines mean we are still unsure of the final cost of the crisis. The impact of these losses can, however, be measured by the plummeting value of the sector, as shown by listed bank share price moves since 2007 (Figure 1). European banks are still 60% below and US banks 40% below their 2007 values, whilst the MSCI World Index has picked up by 15%.

When looking at the causes of the financial crisis, risk management has been highlighted as a key failure. Our research aims to identify which companies have made the most efficient changes to their risk management practices - a leading indicator of good corporate management. It is hoped that regulation has helped the banking sector to learn from past mistakes and encouraged the implementation of stronger risk governance systems.

We have reviewed a sample of banks’ risk governance and management frameworks through company research and engagement. The sample group was comprised largely of European banks, with a small number of US companies included. Through this research, we aim to understand what could be done to address the issue and protect our investments. Looking at European banks (and a few US banks), we have tried to understand the degree of progress banks have made in fixing the most pressing issues. Through engagement, we have encouraged bank management to move towards best practice, which should help the sector recover.

Figure 1: Banking sector share price since the crisis

Source: Morgan Stanley Research

Through company analysis and engagement, as well as discussions with sector analysts and experts, we have identified a number of key indicators which can be used to review our sample of companies. This way, we have tried to highlight best practice amongst the sample group.

**List of our corporate governance and management indicators for this research:**

**Board committees**
- Standalone risk committee
- Independence of the risk committee
- Financial and risk management expertise

**Chief Risk Officers and Compliance Officers**
- Holding seniority and stature through the reporting line, with access to the Board

**Control functions – with a focus on compliance functions**
- Independence of compliance functions
- Costs and resource levels of risk and compliance management

**Whistleblowing mechanisms**

**Compliance and risk controls in executive remuneration scorecards**

**Transparency: a subjective assessment of company communication on risk governance issues**
- Clarity of communication, plus readiness and a framework to act (simplicity and efficiency)
Some trends have emerged in the sector; possibly as a reaction to regulatory onus placed on strengthened risk governance. However, within what are now legally or broadly accepted standards, there are a variety of practices, some of which are better than others.

1. Quality of the risk governance framework

Our key finding is that there is a necessity to go beyond the surface of the new risk governance models, as the efficiency of those systems ultimately comes from the level of detail and the quality of implementation. We paid equal attention to the existence of a board risk committee as to its composition.

We have looked into what banks mean by “independent control functions” and what checks and balances are in place to guarantee their separation from, and influence on, business lines. The level of transparency on these issues is a good indication of how much the approach to risk management has changed, as well as the degree of management commitment. We have tried to assess how much management is engaged in this important transformation and its understanding of remaining risks, beyond just the implementation of the standardised rules.

We have also observed that banks with higher litigation costs tend to have better quality risk governance. By estimating the banks’ total litigation costs (we have aggregated total fines paid since 2009 up to the third quarter of 2014 and estimated future fines), and comparing the findings to our risk governance grades (Figure 2), we see that the companies most impacted by conduct costs broadly appear to have revamped their risk governance systems to the highest standards.

Figure 2: Quality of risk governance vs. litigation costs

Sources: OFAC, Exane, SG, MS, Schroders estimates.
2. Regional differences
These may be driven by variable regulatory requirements. We have observed stronger and more consistent models among UK banks for instance, whilst the French banks lagged sector peers in ensuring standalone Board risk committees or requiring CROs to report to the Chief Executive Officer (CEO).

3. Culture of risk management
We think that risk governance is largely down to the culture of each organisation and its interpretation of regulation. New regulatory requirements on risk governance are often suggested standards more than strict rules, leaving room for interpretation and adaptation. For example, we have found that CROs rarely sit on the Board; something we view as a leading practice. Senior compliance officers often do not have the same high profile stature that a CRO has, although some banks have promoted compliance officers to executive committee level. Some companies believe that compliance should be managed as a risk and the CCO should report to the CRO.

4. Remaining concerns to engage companies on
Key areas of concern, which investors should pay attention to and focus engagement on, are:

a) **Risk management expertise** within independent directors of the Board. Because risk management expertise is scarce, it is a challenge for banks to find the people with the right skills to oversee risk management.

b) This shortage in risk expertise might also impact executive roles. Hiring a competent global CRO will be a challenge, and banks should work on the development of these skills for the next generation of leaders, and look to hire such skills into the firm.

c) **The independence of risk functions** need to be demonstrated. We would hope to see the implementation of direct reporting lines tied to the central function of the business, and ownership of performance assessment by functional managers.

d) **Control function resources** are a key area that banks should be investing in. Not all companies invest to the same extent in these capabilities, but those disclosing data show there has been a drastic upgrade in budgets and resources.

e) Banks do not currently report on whistle-blowers’ activity, and this is the only way investors can assess whether a speaking-out policy is actively and efficiently managed.

f) The majority of banks in the sample have qualitative **indicators** related to risk management and compliance in executives’ scorecards. However, only a few have provided clear and detailed information on the definition and weight of these elements in the overall scorecards.
Most research focuses on banks’ capitalisation levels and assessing systemic financial risk. However, conduct has emerged as an equally important industry concern; highlighting the cultural failure within the sector. Although risk-taking is the nature of the banking business, the crisis revealed that risk tolerance prior to the crisis was either too high, or that employee behaviour was not in line with organisational risk limits. This may have been due to negligence or misconduct.

Addressing conduct issues comprehensively means that banks must also attend to the cultural changes that need to be implemented, but this has left investors with the difficult question of what can indicate a cultural change. This is a question that few – if any – have a response to. The general view is that cultural change in the industry cannot happen overnight, while some suggest it may be a generation before the requisite shifts are made.

Culture often comes from the top. This is not to say that people at the bottom of a pyramid cannot drive positive change, but in large organisations change happens more quickly when driven by senior management. This takes the debate back to the question of bank governance:

- What governance systems are required to create the right culture and the right approach to risk? How is this governance reflected in the organisations’ management framework?
- Can we assess the risk culture within a financial institution, and the extent to which the right culture and effort to implement it is present?
- What are the signals that an appropriate risk culture is/or will be implemented?

As banks are facing urgent calls to prompt cultural change, we think that evidence of good governance can be seen as a proxy for cultural change. Looking at the details of risk management frameworks may be a sensible way to assess the culture in various banks.
Regulators in both the US and Europe have played a significant role in strengthening the regulatory framework for financial institutions and have raised expectations for risk governance. However, much of the standards they have defined are non-binding.

As a consequence of the financial crisis, regulations, rules and standards have risen in the banking sector, influencing European bank organisational models and emphasising risk governance (e.g. the Financial Stability Board (FSB) Thematic Review on Risk Governance, see below).

In 2013, the FSB published a review of risk governance practices in 36 banks across the G20.

Through this study the FSB identifies good risk governance practice as:

- Independence and expertise of the Board
- Establishing appropriate risk culture - throughout the firm - as a role of the board
- Membership and terms of reference of the risk and audit committee
- Establishing a direct reporting line from the CRO to the CEO which does not go through the CFO. The title of CRO should also represent a distinct role from other executive functions and business responsibilities.
- Ensuring CRO involvement in all significant group-wide risk decisions (including treasury and funding decisions), and any other key decision-making processes relevant from a risk perspective (e.g. strategic planning, acquisitions and mergers, etc.)
- Ensuring independence, authority and scope of the risk management function
- Ensuring independent assessment of the risk governance framework

At the UK and European level, risk governance rules and recommendations include:

- The Bank for International Settlements (BIS): “Principles for enhancing corporate governance” (October 2010)
- The European Banking Authority (EBA): “Guidelines on internal governance” (September 2011)
- The Financial Reporting Council (FRC) guidance on Risk Management Internal Control and Related Financial and Business reporting (September 2014)

In the US, the Federal Reserve has notably strengthened prudential supervision rules requiring banks which are listed and/or of a certain size to have a board-level risk committee. However the Organisation for Economic Co-operation and Development’s (OECD) good risk governance guidelines (Risk Management and Corporate Governance, OECD 2014) highlights the non-binding characteristic of most governance rules stipulated by these regulators. While rarely a legal requirement, the OECD notes that the introduction of a board-level risk committee has become common market practice.
Risk governance indicators

Here we provide further detail on the indicators introduced in the Methodology section. Our research suggests that these factors are integral to assessing a company’s approach to risk management and governance, and should form part of any financial analyst’s company evaluation.

1. Board Risk committees

Some banks in our sample would argue that their boards have had a risk committee in place for a long time. However, such committees are a relatively recent phenomenon, confirmed by the fact that some firms are in the process of, or have not yet, implemented them. A Deloitte study shows that board-level risk committees are most common amongst financial institutions.

Having a risk committee on the Board is one thing; making sure it is fully playing its role is another. Hence we have tried to focus our analysis on the quality of the Board risk committee in terms of independence and skills. One issue raised during the financial crisis was the ability of the risk committee to oversee a bank’s risk management framework. Risk management in a financial organisation is a complex task, which requires specific skills and experience, and is a key issue for CROs.

As a result of our sample analysis we noted:

**Having a board risk committee has become an industry standard of good practice**

Some continental European companies do not have a board risk committee (for example, the French banks in our sample and one of the Spanish banks). One company has a sub-risk committee and a couple have been in the process of implementing a board-level risk committee. Overall, it has become common best practice to have this structure in place for financial organisations. It might be seen as a red flag that some boards of large banks have not yet felt the need to implement such a structure yet.

**Independence of risk committees and risk management expertise on the Board**

Independence of the risk committee is another issue we have monitored, with the view that like any board committee, independence would be the only way to enable efficient oversight of the risk management framework. Although independence is met in most cases in our sample, another issue we have seen and that we think needs further industry improvement is related to risk management expertise. The FSB review mentioned earlier emphasised the importance of the Board’s expertise but our analysis shows that only few companies have managed to garner this expertise so far.

The prevalence of standalone board-level risk committees

Key takeaways from "As risks rise, boards respond: A global view of risk committee" (Deloitte study, 2014)

**UK**
So far the UK’s FRC, the owner of the UK Corporate Governance Code (the Code), has resisted pressure to extend the Code to include a requirement for all premium-listed companies to have a board-level risk committee. Despite this, 90% of Financial Stability Institute (FSI) companies analysed have a standalone board-level risk committee and 10% have a hybrid committee.

**Netherlands**
All Dutch FSI companies analysed have a board-level risk committee: 75% have a standalone risk committee and the remaining 25% have hybrid committees. Board-level risk committees are encouraged in the Netherlands’ banking and insurance supervisory framework (as outlined in the Dutch Banking Code published by the Netherlands Banking Association), and the Governance Principles, which is published by the Dutch Association of Insurers.

**US**
The Federal Reserve has issued rules on enhanced prudential supervision for domestic and foreign institutions. These rules require the following US banks and bank holding companies (BHCs) to establish a board-level risk committee:
1. those with greater than $50 billion in assets,
2. those with greater than $10 billion in assets and that are publicly traded,
3. foreign banks with U.S. operations,
4. non-bank financial companies designated as systemically important

Notes from the study: “Yes” indicates the existence of a standalone risk committee. “Hybrid” shows companies in which the risk committee was combined with another board-level committee with different responsibilities (for example, an audit and risk committee, or a risk and capital committee). “No” indicates that language indicating the existence of a risk committee at the board level was absent.
2. Chief Risk Officer

Seniority of the Chief Risk Officer matters

The stature of the Chief Risk Officer has risen, or it should have, given financial companies’ increased focus on risk management. The CRO’s seniority and reporting line is important as effecting a direct reporting line from the CRO to the company’s executives and/or to the Board of Directors, means that concerns can be taken up with the most senior and key decision-makers of the firm, as they arise. We have seen CROs being promoted to executive roles (a move that is now considered best practice), so that they can be equally influential as, say, a CFO. A couple of UK banks have promoted their CROs to the Board of Directors, emphasising the strong focus of the organisation and its leaders on risk management (e.g., HSBC and Lloyds). Providing there are enough independent directors on a company’s board, having the CRO as a director could be the most effective reporting structure for risk management.

As reflected in the Standard Chartered case study (Box 3), it may be the regulators’ view that the CRO’s stature should equal the CFO’s and, most importantly, that risk management remains independent from the finance function. This is not to say that Risk and Finance should operate in silos. On the contrary, there is a rising need for the two functions to work collaboratively. Most risk management consultants we talked to would confirm that the CRO and CFO should work hand in hand, providing the CRO has the right seniority and stature. Of equal importance is the independence from other control functions, notably Finance, meaning that a direct reporting line to the CEO is more suitable. This is a major evolution from pre-crisis models when Risk was owned by the finance function (or general counsel).

The shortage of risk expertise

Another issue highlighted through this research, is the shortage in risk management skills, which partly explains why company boards often lack a certain amount of risk expertise.

With risk management only now becoming the focus of financial institutions, many are facing the consequences of not having put more emphasis on this area in the past. Banks could find it challenging to recruit people with the right skills as the demand for risk management experts has suddenly increased and it has become a highly complex responsibility.

3. The risk management framework

A bank’s risk management framework, the ultimate responsibility of the CRO, should provide the necessary discipline to comprehensively oversee risks throughout the organisation. In effect, it should allow the CRO to allow certain risk exposure while ensuring this exposure remains within the permitted limits (as decided by central governing bodies). As both the nature and tolerance for risk have evolved, the frameworks have hopefully been revamped, or strengthened, to adapt to this new context.

Three lines of defence (Figure 4) – The standardised “three lines of defence” risk management model serves as an effective framework in which companies can ensure they are managing governance risks properly. The companies in our sample pointed to how the second line of defence has been strengthened. One wonders what this actually means – perhaps this line was not as effective as it should have been before?
Independence of control functions – Large banks’ organisational structures are relevant to the influence and effectiveness of their risk divisions. Making sure there are separate and independent functions seems to have become the focus, giving these control functions (which constitute the second line of defence) the right levels of influence.

Personal accountability – Another aspect of strengthening the risk management framework has been around the activation of the first line of defence. This involves making sure business units manage their own activities’ risk; in other words, making employees accountable for their actions (as opposed to the expectation that risk managers will deal with wrongdoings). In this sense, an efficient first line of defence should reflect an appropriate risk culture. It also raises the issue of the resources assigned to the risk management function: to what extent should the risk function be heavily staffed if the first line of defence is adequately managing its own day-to-day risks?

**Figure 4: Three lines of defence risk management framework**

In addition to having an engaged board (which can be helped by the appointment of a board-level risk committee), risk management experts recommend that one person should have overall oversight of all types of risk (including new emerging risks such as reputational or conduct risks) with the ability to report to the Board (at least when serious issues need to be raised). Risk management consultants suggest that the ideal organisational model (illustrated in Figure 5) could be one in which one person (e.g. a group CRO) oversees all types of risks, by delegating responsibility for each type of risk to different risk officers.

Some banks (e.g. Goldman Sachs) have implemented such a model, where the CRO is in charge of all types of risks (both financial and non-financial risks) and different managers specialise in specific types of risk.

**Figure 5: Suggested simplified model for risk management structure:**
Case study

Standard Chartered: a number of risk governance flags

- Oversight of all types of risks is not centralised: management of various types of risk is shared between the Group.
- Risk committee (chaired by the CRO who is also in charge of risk management framework) and the Group Asset and Liability Committee chaired by Financial Director (FD).
- Compliance is part of the legal department – reporting to an Executive Committee Director for Compliance, People and Communication – it is not managed as a risk.
- In December 2013, the bank’s Financial Director, Richard Meddings, transferred the responsibility of risk controls to CEO Peter Sands. The decision was said to be a result of pressures from the Bank of England Prudential Regulation Authority. As a consequence, until last year the CRO reported to the CFO, and local CROs reported to local CFOs. Standard Chartered changed this framework and now all local CROs report to a functional manager and the country CEO.

Case study

HSBC: A new approach to risk governance

- HSBC has received one of the greatest litigation penalties out of all the UK banks. The total provisions for claims related to the mis-selling of payment protection insurance (PPI) was over $3.3 billion at the end of 2014, while one of the most serious money laundering cases cost the company $1.9 billion a few years ago.
- The company’s management openly acknowledged its failure regarding its money laundering controls, admitting in a statement in December 2012 that “We accept responsibility for our past mistakes”.
- HSBC has since embarked on a major risk management framework revamp that has included:
  - The restructuring of the compliance sub-function within Global Risk into two new sub-functions: Financial Crime Compliance and Regulatory Compliance.
  - Adopting and implementing global standards throughout the group.
  - The requirement that all employees are to meet non-financial performance objectives that reflect the group’s values.
  - The announcement of a risk and compliance programme budget of US$ 750 – 800 million per year (excluding provisions and fines). This is increasing year-on-year.
  - Additional resources: 24,300 employees (10% of total staff) belong to the risk function. The compliance sub-function has 7,000 people versus 1,000 five years ago. The firm is planning on hiring 3,000 more compliance officers in the coming years.
  - The company also upgraded its risk governance by:
    - Establishing the Financial System Vulnerabilities Committee (Fsvc) in January 2013 to oversee financial crime-related risk matters.
    - Appointing the CRO onto the Board as a director.
    - Including a “Risk and Compliance” section on the executive directors’ performance scorecard.

4 http://www.bbc.co.uk/news/business-20673486
4. The importance of the compliance function (the new risk)

A critical area of change and improvement has been the role of the risk and compliance control functions in terms of independence, resources and efficiency. The role of compliance is of particular interest given its evolution from being traditionally part of the legal department to being – for a number of banks – managed as a risk function.

Non-compliance managed as a risk – Compliance was traditionally a sub-division of a firm’s legal department. Since banks started facing a variety of litigation due to regulatory breaches (i.e. employee misconduct), non-compliance started to be considered as a risk in itself. As a consequence, financial organisations have integrated the compliance function into their risk management frameworks. For those who have left compliance management under general counsel, it would make sense to ask management how compliance issues are managed pro-actively. In addition, it is important to establish whether compliance teams have the appropriate influence they should have within the business, both in terms of implementing internal rules and the code of conduct, and in ensuring that teams are appropriately abiding by these rules.

Independence of the compliance function is hard to assess – The independence of the compliance function is a key aspect of any risk management framework. The larger the financial institution, the more complex and difficult it becomes for central teams to oversee rules and their application throughout the organisation. The necessity for large banks’ subdivisions (branches, regional/country offices, business divisions or subsidiaries) to have compliance resources onsite has raised the question of potential conflicts of interest between local divisions and the group central management. This highlights the need for frequent and thorough reporting of compliance teams to their function head.

It may be for regulatory reasons – or because of practical difficulties posed by implementation – but most banks have solved this issue by implementing double reporting lines and matrix structures for their control functions. With this structure in place, guaranteeing the independence of control function teams should come from a clear definition of their objectives, and a performance assessment process by function heads. It is an area in which companies could improve. Despite the entire set of banks in our sample declaring compliance functions as “independent”, only few have provided very clear and convincing evidence of this.

Compliance officers’ stature – The stature of Chief Compliance Officers themselves has also been considered. With the growing risk of non-compliance for banks and renewed focus on this area, compliance officers have seen their profile raised, with equal seniority to the CRO or direct reporting lines to an executive director (which could be the CRO).

5. The control function’s resources

A minority of banks have played the transparency card and announced their compliance and risk management spending. It is useful to see which banks have chosen to be transparent about these rising costs, so we may be able to monitor a trend going forward. However, data comparison remains a challenge, as a heavily staffed and costly division is not a guarantee of efficient control systems. As mentioned above, it may even be an indication of poor risk culture.

We considered the data provided by a few companies carefully. Some have announced double digit staff increases in risk and compliance teams, but overall headcount has increased by the same proportion or more. On the other hand, some companies have announced very high staffing numbers in these teams when compared to group-wide human resources numbers, including those which have decreased. Compliance and risk resources can represent up to 10% of group-wide staff.
Details of the analysis continued...

6. Whistleblowing mechanism as an internal compliance monitor
Whistle-blowers are key risk management mechanisms which, when supported by adequate speak-out policies, will encourage and protect employees when they raise any conduct or compliance concerns. Banks should learn from other industries in this area: companies in the energy or materials industries have developed whistleblowing disclosure standards which give investors a good indicator of whether this is an active tool or not. In general, banks do not disclose any whistleblowing data. Importantly, the ownership of whistleblowing systems and how this information is managed is an indicator of the efficacy of the mechanism. Other characteristics such as confidentiality, anti-retaliation policies, internal versus external line management, and language help investors to assess the quality of the system.

7. Recent risk governance changes
Considering the impact the financial crisis has had, we have aimed to assess which companies have implemented the most radical changes to their risk management systems. Significant changes may reflect an acknowledgement that things have gone wrong, demonstrating institutions have understood where the problem was coming from (i.e. inadequate approach to risk, inadequate group culture or staff behaviour). Changes to the Board structure – especially for companies which had faced major litigation – are regarded as a signal of increased awareness that the Board has ultimate responsibility for a bank’s risk management. But other positive changes in a risk management framework, according to the trends and requirements highlighted above, should be regarded as a forward-looking indicator of management quality.

8. Risk management in executives’ remuneration scorecard
Linking executive directors’ remuneration to the implementation of effective risk management and compliance systems is a good indication of the emphasis a bank places on the issue. However, concerns centre on the assessment of performance against these objectives, which are mainly qualitative, and without any indication of how these have been delivered, creating the temptation for those to be considered fully achieved.

9. Transparency: different levels of communication
As part of this analysis we also assessed the quality of the communication on this issue. The quality of responses provided varied greatly, reflecting the understanding of the topic by the group, the culture of the group and how it has translated this into staff awareness on the subject.
The conduct issue is not resolved. Banks are still exposed to ongoing litigation settlements with regulators (e.g. Libor, Euribor and forex) across various jurisdictions, with more issues on the horizon (e.g. tax evasion/tax optimisation). A cultural change will not happen overnight, but good governance practices will help mitigate future risks and allow banks to demonstrate they are making progress.

Financial analysts can complement their assessment of banks by taking into account risk governance, compliance management and best practice considerations. Our research suggests that if banks take these issues seriously, they may represent a safer investment going forward but at the present time, our review shows that bank practices are variable. The lack of disclosure in this area means engagement could help provide a better understanding of risk and management frameworks. Engagement can also encourage investment companies to improve their governance of risk, and demonstrate an awareness of the issue. Areas of improvement should include:

- Risk expertise at executive and non-executive levels
- The development of talent and leaders in risk management
- Transparency around the independence of control functions and speak-out policies
- The building of adequate resources, budgets, and management systems
- Detailed and quantified performance indicators for employees and managers’ compensations relating to these issues

Going forward, we also think the role of information technology is crucial for stronger risk and compliance governance, enabling consistency, efficiency and transparency in data management across large organisations. Banks should ask themselves what skills and technology investments they need to make to address this issue properly.
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