Insights from the Global Risk Management Survey, 10th Edition
Heighnted uncertainty signals new challenges ahead

While many organizations continue to enhance their risk management practices worldwide, this year’s survey revealed that leaders are focused on the regulatory impact of recent geopolitical shifts and questioning what’s coming next.

Evolution of risk management and the role of the CRO
Over the 20 years that Deloitte has conducted its Global risk management survey series, regulatory requirements and expectations for risk management have broadened to cover a wider range of issues and also become more stringent. Risk management programs have become almost universally adopted, and many have expanded capabilities. Boards of directors are more involved in risk management and more institutions employ a senior-level CRO position.

Board Risk Committee use more widespread

CRO position has become nearly universal

CRO role has increased in seniority with more senior reporting structure

ERM programs have become prevalent

Cyber Risk is the risk rated most likely to increase in importance over next two years

Key findings
The rapidly changing environment suggests that risk management programs may need to increase their ability to anticipate and respond flexibly to new regulatory and business developments and to emerging risks, for example, by employing predictive analytics tools.

Risk types that respondents thought would most increase in importance in the next two years

Cybersecurity
Regulatory compliance
Credit
Strategic
Operational
Spiraling costs of compliance

59%
of respondents were extremely or very concerned about growing costs of doing business due to tighter standards or regulations.

56%
of respondents said that regulatory reform had resulted in an increased cost of compliance, of which 79% were concerned about growing costs of required documentation and evidence of program compliance.

Risk systems and IT

Newer and less mature risk types are the most challenging to manage

Top issues in managing Cyber Risk cited as extremely or very challenging included:
• Hiring or acquiring skilled talent (58%)
• Getting actionable, real-time threat intelligence (57%)
• Protecting or defending critical business assets (57%)

Over 46%
of the respondents said that it is extremely or very challenging to define risk appetite for newer risk types such as reputational risk (49%), strategic risk (48%), model risk (48%), and cybersecurity risk (46%).

Only 40%
of the respondents rated their institution highly at managing model risk

Only 37%
of the respondents rated their institution highly at managing third party risk

Only 32%
of the respondents rated their institution highly at managing data integrity risk

Only 28%
of the respondents rated their institution highly at managing geopolitical risk

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