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RISK MANAGEMENT IN THE CORPORATE GOVERNANCE SYSTEM

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ABSTRACT
In this paper we prove the importance of effective risk management in corporate governance. Settle and describes some aspects of the world's leading risk management companies developing its system in accordance with international standards of risk management. Subjected to the analysis and practice of risk management in Russian companies, identify potential problems in the system of risk management and the reasons for which they may occur.
KEY WORDS: *corporate governance, risk management, risk, risk management strategy, international standards, international practice, strengths, weaknesses, threats to market, market opportunities.*

International practice shows that the lack of an appropriate level of corporate governance, as in leading world and companies. There are plenty of examples. One of them is the collapse of the world-famous company Enron, where there was a falsification of reporting and misleading investors. Often this happens due to ineffective risk management.

An integral part of corporate governance is precisely the process of risk management, on the improvement of the mechanisms of which the attention of owners and company management, as lack of an effective risk management system in companies is one of the main problems in the field of corporate governance, and risk management itself is one of its main aspects that should be subject to priority changes. According to the results of numerous studies analyzing the practice of risk management in leading global consulting companies, we can say with confidence that the development and implementation of effective corporate risk management systems is one of the priority strategic goals of every successful company.

The activity of any organization is always associated with risks, however, if an enterprise implements risk management system in the process of business planning and performance evaluation, then strategic and operational goals are achieved much faster**. International company leaders understand the need for this process for the organization and apply the following experience [3]:**

• the organization has approved a method for determining the acceptable level of risk;
• Stress testing is used to confirm risk tolerance;
• the management of the organization has implemented an effective risk management program;
• business planning and risk reporting cycles are coordinated, which allows timely consideration of information about risks in business planning.

For effective risk management, first of all, it is necessary for the management of the company to have a clear strategy in this area, as well as in the field of corporate governance. Special meaning in this regard, acquire proper oversight of these areas and a reporting structure. Executive management should play a key role in risk assessment and governance them. Developed corporate governance structure, providing reports and information on management of risks to the board of directors ensure the growth of the importance of the risk management system within the organization, improving accountability and increasing transparency. Besides, effective risk management reporting and oversight ultimately leads to improve the decision-making process [3].

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Based on international practice, leading companies apply the following experience in the field risk management [3]:

• there is an open dialogue about risks with external stakeholders;

• Timely exchange of transparent information with stakeholders parties, as well as providing them with meaningful information about the decisions and corporate the values of the organization;

• the board of directors or board of directors play a leading role in setting the objectives of the system risk management;

• developed and implemented a unified risk management system for the entire organization.

For successful activities, leading companies build a risk management system in accordance with international standards. One of the international standards in the field risk management is ISO 31000:2009. According to him, in order to manage risk management was effective, the organization should at all levels comply with the following: principles [2]:

• • Risk management creates and protects assessments

Risk management contributes to the demonstrable achievement of goals and improvement of performance, for example, human health and safety, protection, compliance with laws and regulations, public recognition, environmental protection, product quality, project management, performance, leadership and reputation.

• Risk management is an integral part of all organizational processes

Risk management is not an autonomous activity, it is separated from the main activity and organization processes. Risk management is part of the responsibility of management and an integral part all organizational processes, including strategic planning and process management projects and changes.

• Risk management is part of the decision

Risk management helps decision makers make the right choice, arrange priorities and identify alternative courses of action.

• Risk management expresses uncertainty clearly

Risk management considers uncertainty, the nature of that uncertainty, and how they can be expressed.

• Risk management systematized, structured and coordinated in time

Systematic, structured and timed approach to risk management contributes to efficiency as well as consistent, measurable and reliable results.

• Risk management is based on the best available information

The input to the risk management process is based on information resources such as

as historical data, experiences, stakeholder feedback, observations, forecasts and expert statements. However, decision makers should be aware and take into account any limitations in the data or use of modeling, and the possibility of divergent opinions of experts.

• Risk management is specific to each organization

Risk management focuses on the organization's external and internal context and structure risk.

• Risk management takes into account human and cultural factors

Risk management recognizes the potential, perceptions and intentions of external and internal stakeholders that can help or hinder the achievement of goals organizations.

• Risk management is dynamic, iterative and capable of change process

How internal and external events happen, context and knowledge change, monitoring and analysis, new risks arise, so something changes and something else disappears. Therefore, the risk management responds to change.

• Risk management contributes to the continuous improvement of the organization

Organizations must develop and implement strategies to improve the development of their risk management along with other aspects of the organization.

In order to introduce international risk management standards in Russian companies,

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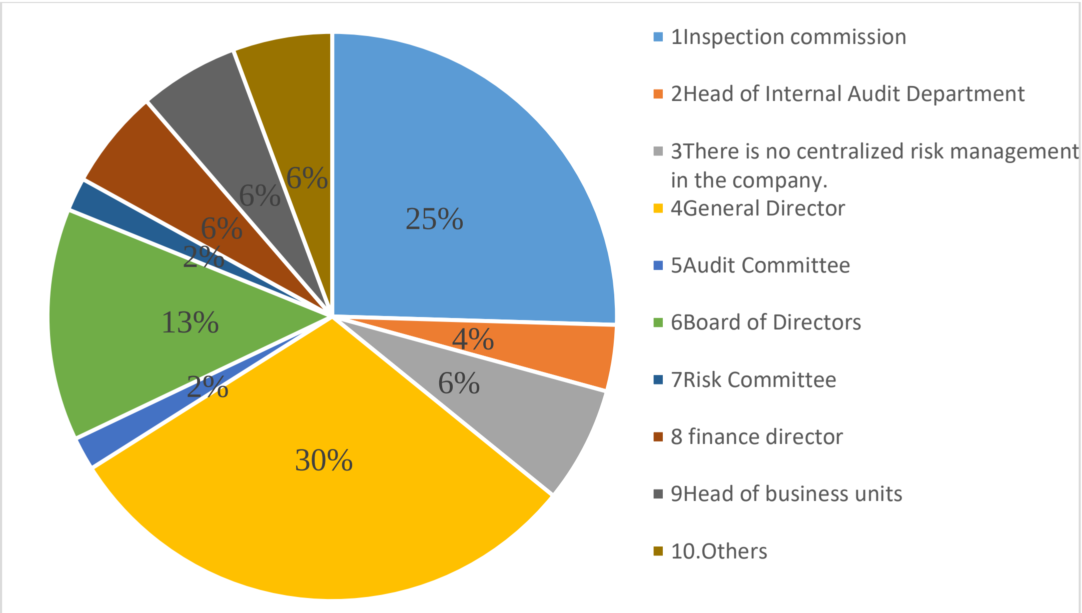
which are effectively used by the world's leading companies, it is necessary to evaluate and analyze existing risk management practices, especially strategic ones,

identify possible problems and the reasons for which they may arise. The analysis of the risk management system in organizations was carried out according to two main components: risk management practices were assessed and strategic aspects of risk management. According to respondents, the key aspects of building an effective management system risks are taking into account information on risks when making decisions on company management - 49%, organizational and formalized process of identifying and managing risks - 46%,development and implementation of a risk management policy or concept – 37%.

In 32% of companies, the responsibility for organizing and supporting the risk management process in the company are assigned to the CEO, which is in line with global risk management practices. In 27% of companies, these functions are performed by the Audit Committee (commission) and in 14% of companies - Board of Directors. However, only in 6% of companies, the responsibility for organizing and supporting risk management is performed by the financial director, whose role is one of the key ones in risk management process (picture 1).



Picture 1.The official responsible for the organization and support of the management process risks in the company.

In the above graph we can see that the highest figure is made by the general director.

Application in the company of an integrated system for improving corporate governance and risk management is the key to increasing the competitiveness of the company and its successful development.

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