

Increase our resilience capacity

Lessons to learn from the past and food for thought



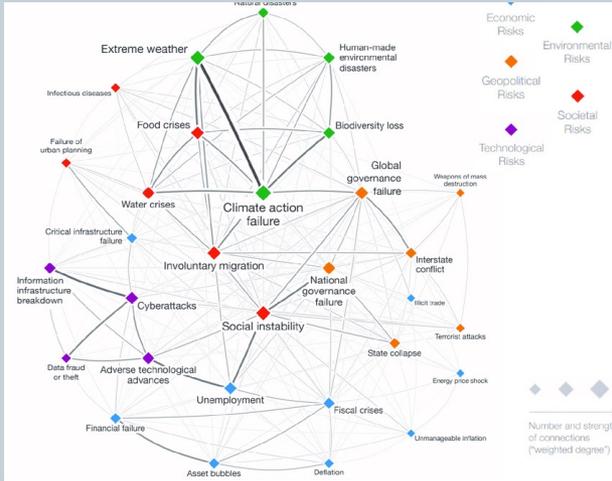
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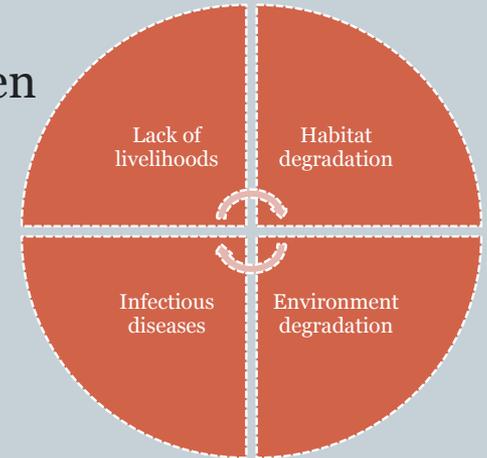
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Key takeaways from the pandemic emergency

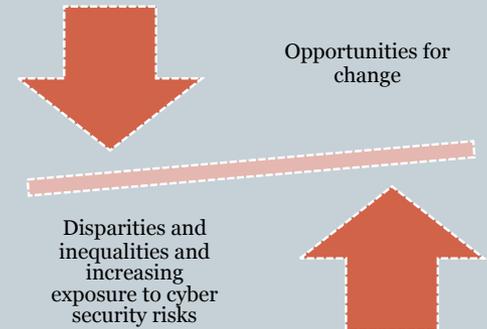


Interconnections between the main risks, when considered globally

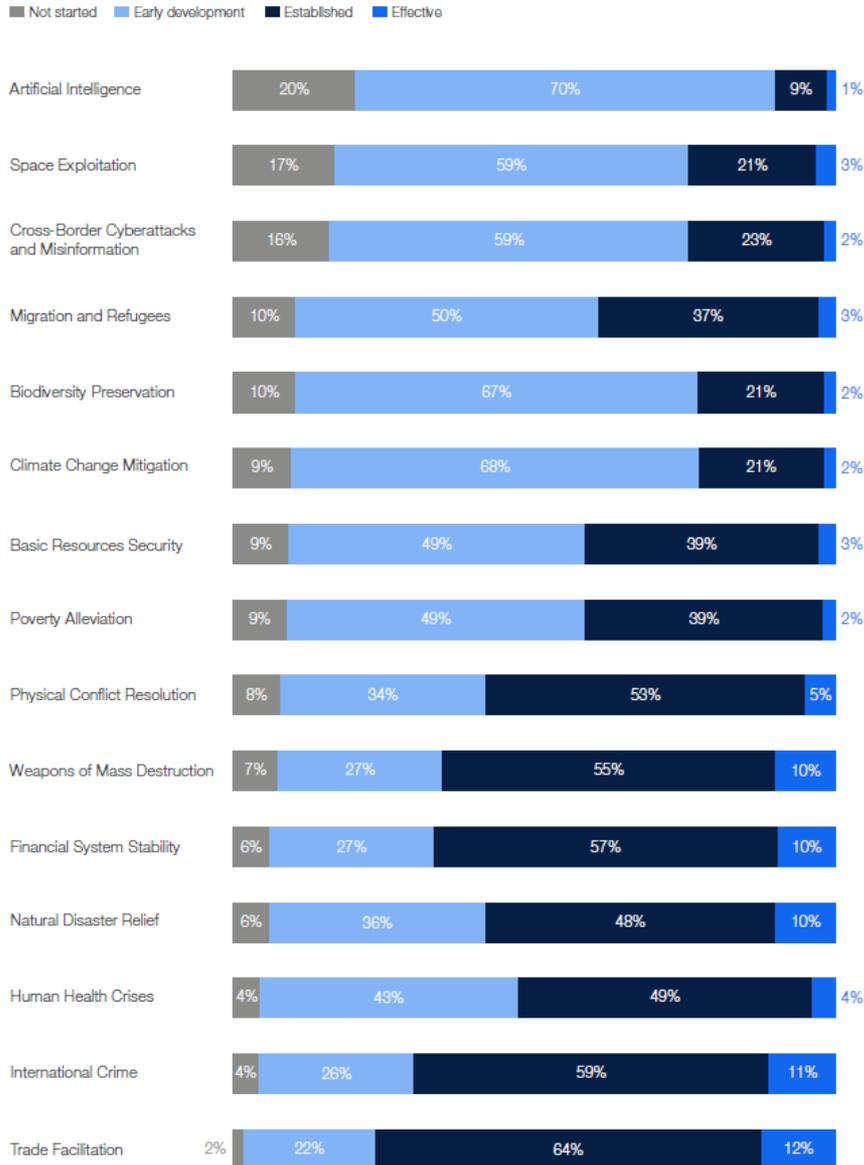
i.e.



Acceleration of digitalization processes



Risk Mitigation Efforts



Our **ability to adapt** in positive terms to changes, or **resilience**, is a condition of survival in complex scenarios and consequent challenges that the internal and external environment poses for us



Think timely about the mitigations that can be adopted



Learn from the lessons of past events

Silos Approach = Blind Perspective



This should make us reflect: in the preface of the 2021 report it was highlighted that since 2006 the risks of pandemics were well known and reported.

In subsequent years, avian flu (2009 and 2010) and Ebola (2016) led to the reporting in subsequent report editions with recommendations aimed at greater global collaboration to prevent and mitigate catastrophic effects.

These flash-forwards have not prevented Covid19 from determining the consequences that we all know in 2020



Why?



Integrated and global governance approach



A reasoning is, therefore, necessary on how the different actors can cooperate in an integrated way to mitigate and monitor risks.

In fact, it has been understood that the solutions arise from a greater awareness and perception of the negative events that may occur in future scenarios.

A prerequisite for this awareness is the increase in
Risk Culture

both at the individual and economic, social and political levels



The right approach starts from an attitude aimed at **anticipating the consequences** of negative events rather than suffering them, providing adequate support for implementing the best strategies aimed at organizational resilience

Risk Control Governance must be considered in an integrated view and must be continuously updated, in order to be resilient

Improvements in global risk governance



How can we gear up to increase organizations resilience in facing global risks that are now intensified by the pandemic emergency



Analytical framework: holistic and systemic view of the impacts of risk to bring out potential vulnerabilities and negative repercussions.

Integrated approach: active role of multilateral institutions & continuous collaboration between public authorities, private companies and civil society

High-profile "risk champions": coordination of different players to stimulate innovation in risk analysis and response capabilities

Knowhow: relationships between subjects expert matters and political leaders

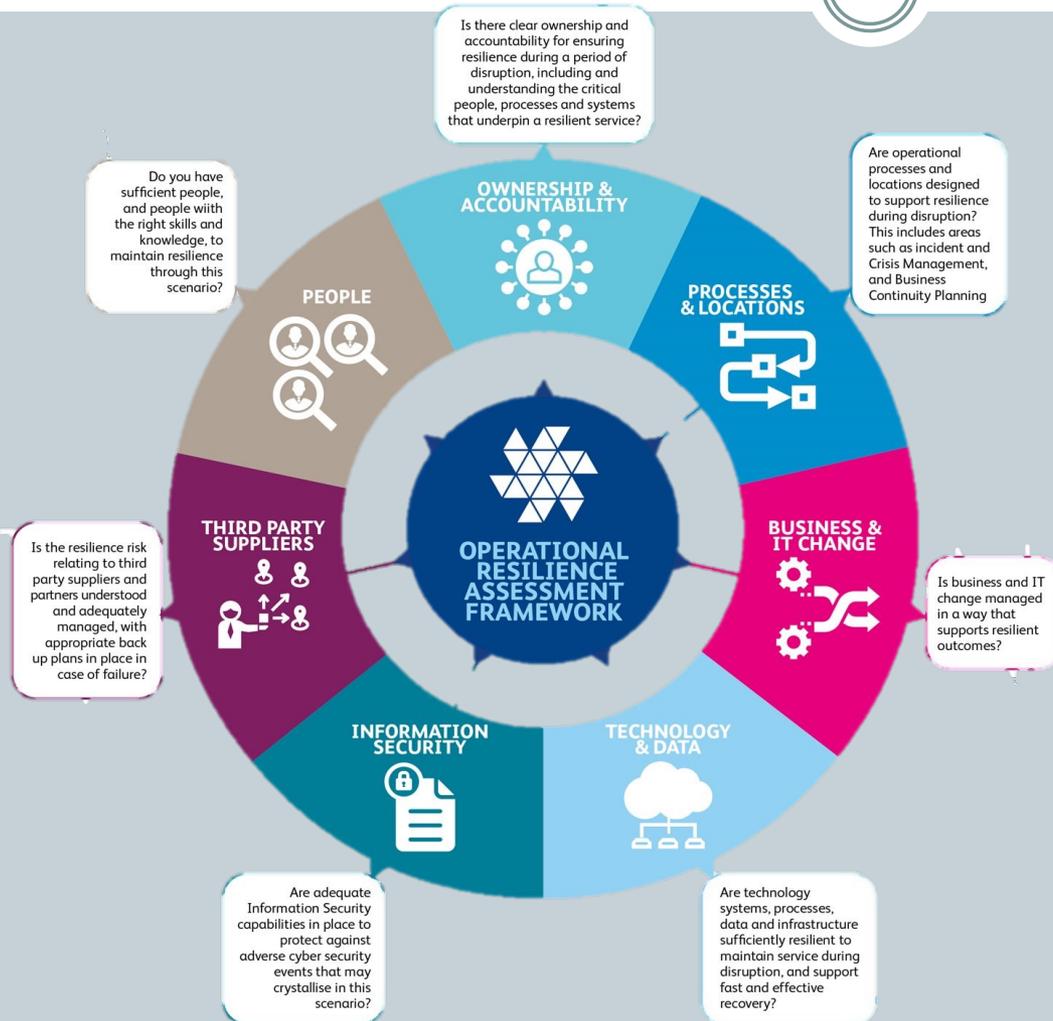
National Risk Officers: mandate to improve resilience and increase the organizational and decision-making culture

Information: improving clarity and consistency in the management of risk communication and in fighting against disinformation.

Responses from all players involved: confusion and lack of clarity can undermine efforts to build trust and resilience among the public sector, private sector, community and families

Innovation: the pandemic has shown how innovation can be triggered when governments are able to engage the private sector to respond to major challenges. A prerequisite for this is that risks and benefits are shared equally and appropriate governance is in place.

Refreshing Resilience



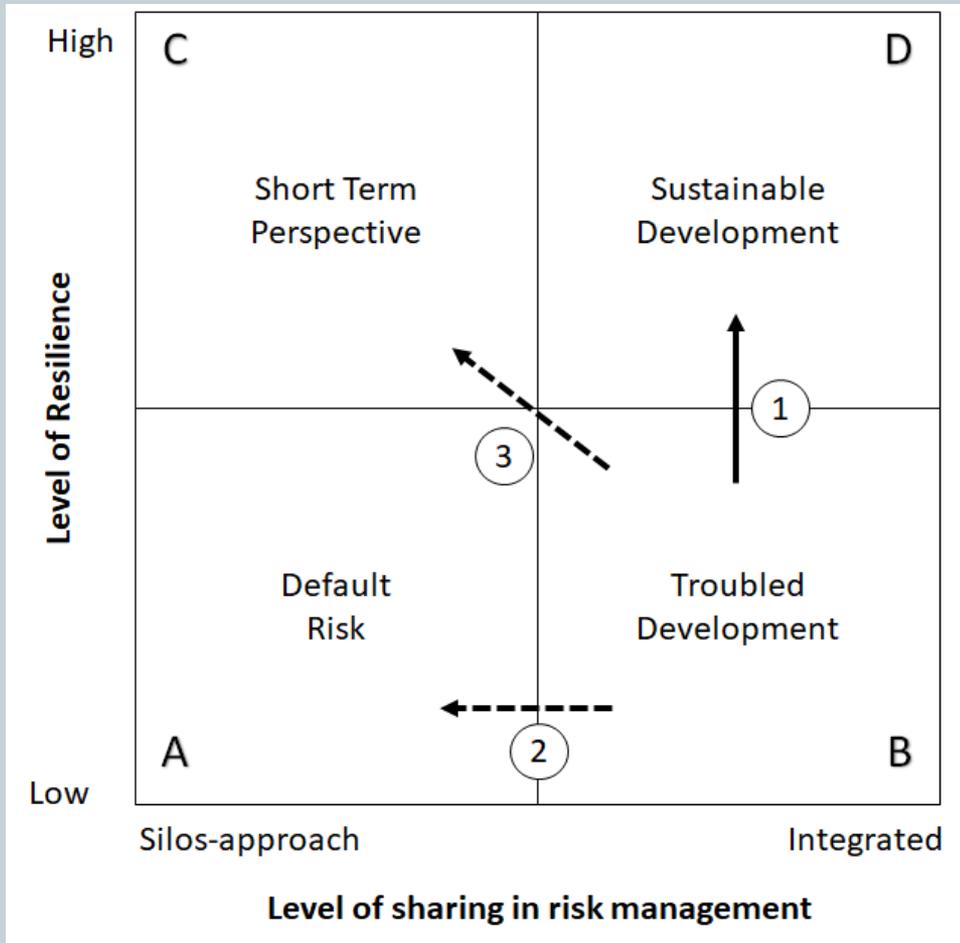
These framework converges towards an integrated approach and global cooperation aimed not only at managing the consequences of crises but at anticipating and detecting potential new crises as they arise

Also GRR highlights how the best results have been obtained where the nationalistic pressures to manage the effects of the pandemic disjointedly have been balanced by integrated risk responses

starting from the sharing of data base on research results in the vaccines' effectiveness

until the management of machinery to ensure the conservation of vaccines and their inoculation

A scheme for analyzing the integrated strategic approach to risk and control governance management

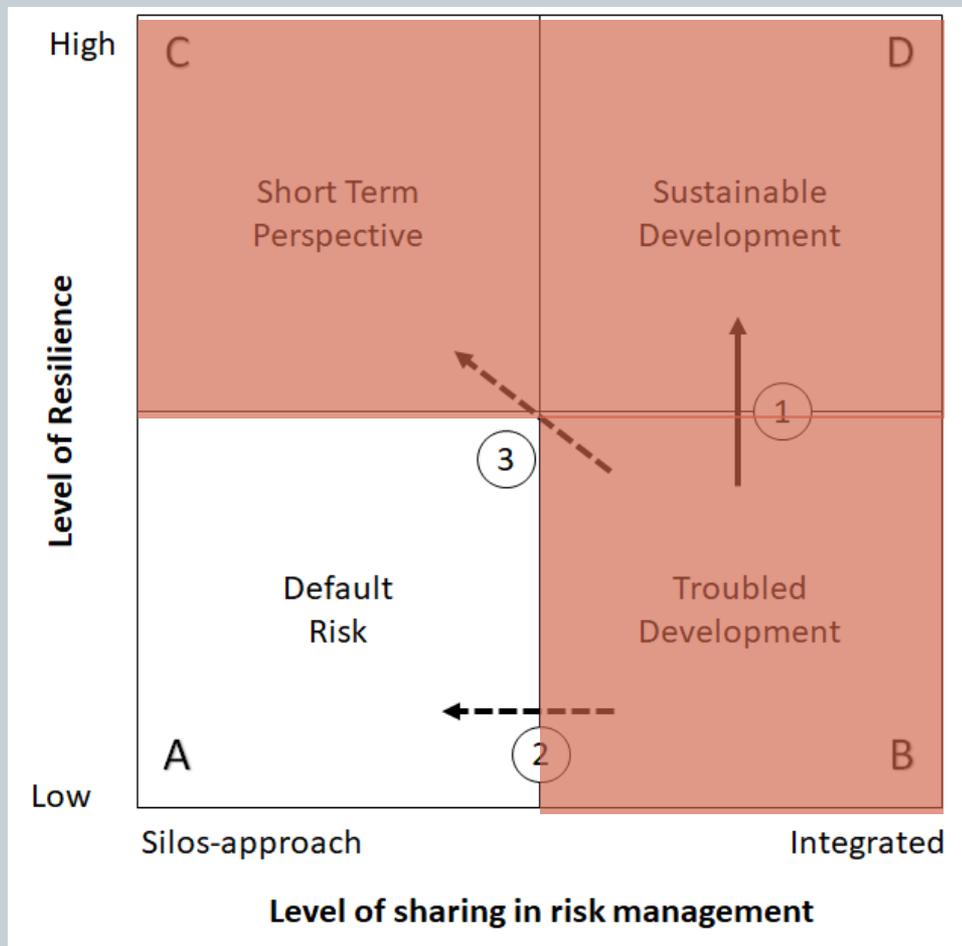


The matrix seeks to pool the reflections on the **importance of an integrated strategic approach to risk management and controls**, showing the possible relationship of

Resilience Capacity vs Existence of an integrated and shared approach to risk management

The four quadrants of the matrix reveal areas that we will connote, trying to identify possible organizational models of reference

A scheme for analyzing the integrated strategic approach to risk and control governance management

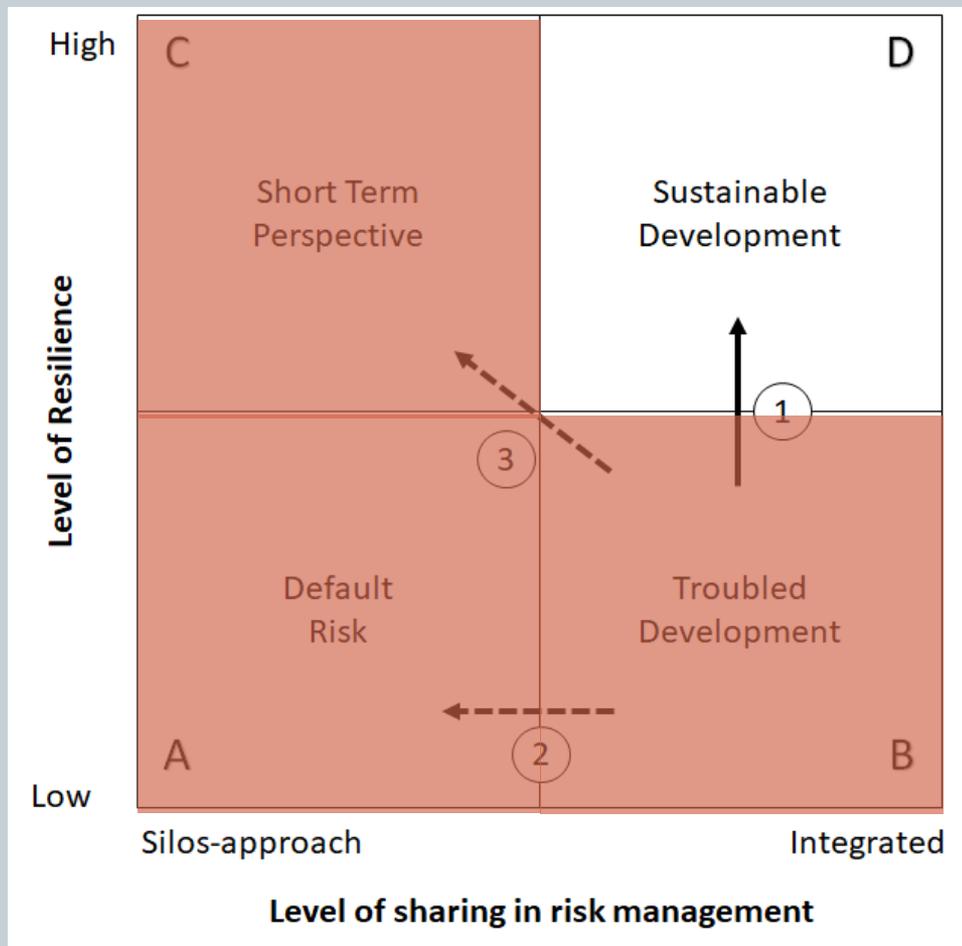


Lower left quadrant encompasses organizations that tend to suffer, with poor resilience, the consequences of scenario changes, without having carried out any mitigation action.

The corresponding organizational attitude is to believe that any solutions, even "ex post" to unexpected events that generate emergency situations, should be identified within the internal subsystems and not with cooperation and collaboration with other players and external parties.

In this area Governance Systems can be classified as "autarchy oriented", and we can describe them as **"at risk of default"**

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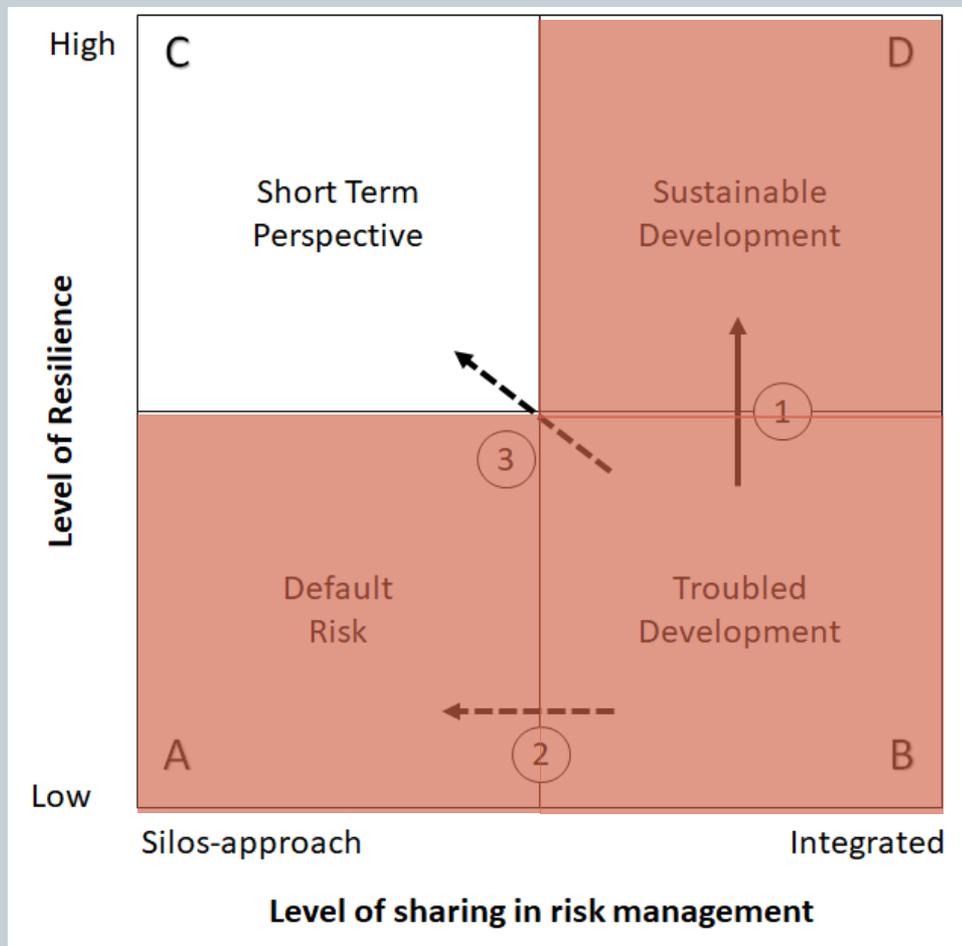


In upper right quadrant we will place the organizations that can effectively pursue "**sustainable development**" goals.

In this quadrant there are organizations that take advantage of the opportunities for external change to improve their competitive positioning by investing in innovation.

These organizations are also aware of the fact that emerging risks require an integrated response and, therefore, will adhere to all collaboration and cooperation initiatives also with external authorities, institutions, parties aimed at sharing data and solutions and not just competition. Operating in a logic of sustainability involves abandoning the "**backyard**" approach

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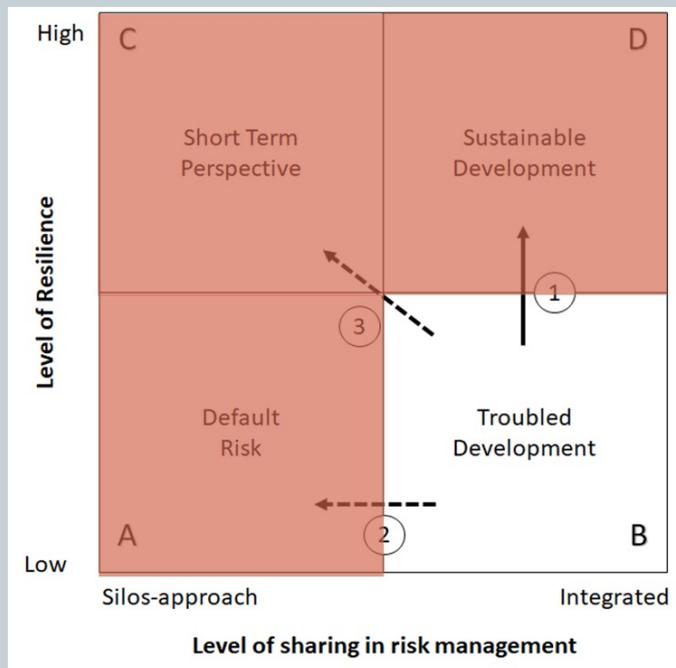
Upper left quadrant includes situations in which the awareness that risks must be governed takes over and this increases the capacity of resilience and, therefore, of resistance and reaction.

However, the fact that the responses that are identified, are not integrated and shared with other external players, limits the effectiveness of the strategies implemented: this places these behaviors in a perspective of "**short-term survival**" objectives.

The reason is that some **risk categories, such as cyber risks, cannot be mitigated without an integrated responses that involve the combined effort of different players.**

Failure to perceive this makes systems vulnerable and with limited defense capabilities

A scheme for analyzing the integrated strategic approach to risk and control governance management



Lower right area, where a low level of resilience is associated with a high level of predisposition to manage risks in an integrated and shared way, is certainly the most complex: we can define it as "**problematic development**".

The effort towards integrated and shared solutions, that does not raise the level of organization resilience, is a symptom of deficiencies in the risk management system, deriving from weaknesses in the control systems.

The identified risk responses could be correct, but the controls set up are inadequate

The possibility of increasing the resilience maturity is therefore subject to the fact that **mitigating actions are implemented, in order to resolve deficiencies and restore system to a virtuous condition**, possibly starting from the previous stage (default risk, director 1). Otherwise, in the absence of corrective actions plans, **the condition could evolve towards a state of uncertainty and default risk and fall towards other matrix quadrants**, other than sustainable development (dotted directors 2 and 3)