



The Accountability Guardian's Mission: Risk Governance

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TWO RECENT MOVEMENTS

Companies in competition	Individuals in competition
<ul style="list-style-type: none"> • profit (still) matters • s.t. further objectives • this is not only reflected in the actual paradigm of business administration but also in real-world competition 	<ul style="list-style-type: none"> • wealth (more than ever?) matters • s.t. responsibility/accountability (Business Judgment Rule, BJR) • this is not only reflected in actual business research but also in real-world experience



transmission: business model

WHO ENSURES FOR BOTH?

Support function for management executives: management accountant

“looking back and looking forward”

Role evolution:

score-keeper fire detector bean counter watchdog	strategic business partner	accountability guardian
<i>retain</i>	<i>move</i>	<i>advance</i>
most	some	few

Egan, M., and D. Tweedie. 2018. A “green” accountant is difficult to find. *Accounting, Auditing & Accountability Journal* 31(6): 1749–1773.

ACCOUNTABILITY GUARDIAN

Mindset	Underlying power	Activity
Proactivity instead of reactivity	power to name	<ul style="list-style-type: none"> Putting new challenges on the agenda
Self-efficacy instead of dependence	power to datacrunch power to interpret	<ul style="list-style-type: none"> Simulating consequences and alternative developmental paths Recognizing potential relationships
“We steer risks” instead of “risks steer us”	power to nudge	<ul style="list-style-type: none"> Encouraging predictable behavior change Framing information Changing standard specifications

Stein, Volker, Wiedemann, Arnd, and Dielmann, Jan-Philipp (2024; in preparation): Coping with the Increasing Accountability of Members of the Executive Management: The New Supportive Role of Management Accountants.

CONNECTION TO RISK GOVERNANCE

Activity		Risk Governance
<ul style="list-style-type: none"> Putting accountability on the agenda 	Contributes to	<ul style="list-style-type: none"> Reduce individual accountability risks
<ul style="list-style-type: none"> Simulating consequences and alternative developmental paths Recognizing potential relationships 		<ul style="list-style-type: none"> Awareness for the business model and strategy outcomes Understanding the risk models and the respective model risks Sufficient transparency Adequate information (BJR)
<ul style="list-style-type: none"> Encouraging predictable behavior change Framing information Changing standard specifications 		<ul style="list-style-type: none"> Organize for risk governance circle / 360° risk radar / participative Management executives' sparring partner for t&d in risk issues and driver for progress Dynamic, strategic, proactive risk steering with the aim of corporate development

CONCLUSION

- Advanced approach to strategic, risk-oriented, decision-oriented top management support
- Accountability guardian as implementer of textbookish risk governance
- New role but only for few
- Potential for the company to become/remain comprehensively compliant and resilient
- Complexity reduction for management executives - in respect to their corporate role and their individual accountability
- Influence on employees, corporate culture, governance