Università
Ca'Foscari
Venezia

Master's Degree

in Economia e Gestione delle Aziende

Final Thesis

A systematic literature review on Risk Disclosure Process: insights, gaps, and evidence from Italian listed companies

Supervisor
Ch. Prof. Chiara Mio

Co-supervisor
Ch. Prof. Silvia Panfilo

Graduand
Vittoria Fabbian
Matricolation number
857054

Academic Year
2019 / 2020

To my family

Thank you for teaching me that

“Nothing worth having comes easy”

(Theodore Roosevelt)

Indice

1. Introduction

Recent years were characterized by a series of notable business scandals and failures where investors, company personnel, and other stakeholders suffered considerable loss. Thus, companies have seen enhanced concern and focus on risk management, and it became more and more clear that a necessity exists for a strong framework to successfully identify, assess, and manage risk, providing key principles and concepts, a common language, and clear direction and guidance. Therefore were calls for heightened corporate governance and risk management, with new law, regulation, and listing standards (COSO, 2004).

Companies are aware that they are facing an evolving scenery of emerging risks that can impact a company's profitability, success and even survival (COSO wbcsd, 2018). The Coronavirus (COVID-19) pandemic is an example of an emerging health-related risk that caused commerce to change in unprecedented ways, leading to a unique global crisis, not based on economic and financial factors but on socio-biological factors (Cortez and Johnston, 2020).

The increasing awareness of the operational and strategic risks has demonstrated the rising complexity of managing risks. These risks have the potential to add enormous value to the organization when adequately managed, while failure to manage them accurately can significantly damage or even the cause failure of the organization (Mishra et al. 2019).

In this context, risk disclosure has received more attention in the last few years by boards and executives and an increasing number of researches have been published.

For these reasons, this study aims to review a series of researches to find out the main topics and overall results about risk management disclosure. In other words the objective of this research is to group previous studies by main topics as consecutive risk management disclosure process steps and to discover some possible gaps.

In order to achieve this aim, I have analyzed fifty-nine articles, following an accurate research protocol, covering a period of time between 1995 and 2020. Using a content analysis, this research investigate article characteristics and their topic classification. According to Panfilo (2019) previous literature on risk disclosure has

limited its focus on risk factors rather than exploring the disclosure of enterprise risk management practices.

Findings indeed, show that only one paper explores risk management disclosure process. Thus, why does not exist a more substantial series of articles focused on risk disclosure process? Is it because firms do not disclose about their risk management process?

Following the emerging gaps, this study has a second aim: to understand how the disclosure process works, specifically how the nature and extent of the content about risk management included in the Corporate Governance report is determined. Thanks to a sample of fifteen Italian's listed companies to managers interviews common trends are explored. Specifically, through detailed telephonic interviews with top managers information is used to point out risk disclosure practices actually in place, as well as their opinion about risk management disclosure about its advantages and disadvantages.

The literature review results show how it emerges a literature gap about risk management disclosure process, observing a lack of researches about how organizations disclose information on ERM process.

Findings from the interviews analysis evidence companies' thinking about their risk disclosure process, but also their opinion on other organizations risk disclosure process. Moreover, people interviewed express their concerns on this type of informations disclosed, regarding mainly competitive concerns and communicating confidential information. In addition, results show how Italian companies change the information as a consequences of new requirements from the parent company and as a result of new law and framework updates.

Finally, it emerges that half people interviewed declares that the corporate governance report is an important communication tool, while the other half people thinks the opposite.

The remainder of this thesis is organized as follow. The next section presents basic concepts and assumptions about risk, enterprise risk management and COSO ERM framework to better understand the overall discussion. It follows the Italian institutional background that allow to conduct to the aim of this research. Thus, research questions and research design sections are presented. Sections about literature review and research gap emerged are then provided. This thesis second

aim is then investigated in the new insights section. Sections about sample and methodology, results and analysis are then shown. Finally, the research ends with discussion and conclusion.

2. Basic Concepts and Assumptions

2.1. Risk

In literature, authors have explained the term risk in various way as it emerges from the following definitions.

"Risk may be defined as the uncertainty associated with both a potential gain or loss. Every company is faced with different risks and the prioritisation of those risks is an essential part of the risk management process" (Solomon et al., 2000, p. 449).

"Disclosures have been judged to be risk disclosures if the reader is informed of any opportunity or prospect, or of any hazard, danger, harm, threat or exposure, that has already impacted the company or may impact the company in the future or of the management of any such opportunity, prospect, hazard, harm, threat or exposure. This is a broad definition of risk and embraces 'good' and 'bad' 'risks' and 'uncertainties'." (Linsley and Shrives, 2006, p. 389).

The Public Sector Risk Management Framework describes risk as an '"unwanted outcome, actual or potential, to the institution's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. This definition of "risk" also encompasses such opportunities." (National Treasury, 2010, p. 15).

Therefore, the expressions "actual or potential" undesired outcomes point to the existence of uncertainties which could conduct to the deviation to the 'pursued wanted outcomes'.

In line with ISO 31000, risk is outlined as the "effect of uncertainty on objectives. An effect is a deviation from the expected — positive and/or negative. Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequence, or likelihood." (ISO/Guide 73/2009).

Risk is then described by the Financial Reporting Standard as the "uncertainty as to the amount of benefits. The terms includes both for gain and exposure to loss" (FRS 5, 1994, p. 9).

"Risk managers have implemented a negative definition of risk for many years. Risk was simply a barrier to business objectives, and the object of risk management was

to limit it. However, in a business context, risk has an upside as well as a downside. Without risk there would be no opportunity for return. A proper definition of risk, then, should recognize both its cause (a variable or uncertain factor) and its positive and negative effect" (Lam, 2017).

To conclude, both academia and professional usually think about different concepts when they argue about "risk" and they usually intend risk in the negative point of view and in the possibility of inducing losses or reduced profits. However, from the different definitions, it can be deduced that there is a duality of perspectives of risk, a negative reflecting the potential damages of it and a positive one reflecting the opportunity may derive from it.

2.2. Enterprise Risk Management

"Enterprise Risk Management is an integrated and continuous process for managing enterprise-wide risks - including strategic, financial, operational, compliance, and reputational risks - in order to minimize unexpected performance variance and maximize intrinsic firm value. This process empowers the board and management to make more informed risk/return decisions by addressing fundamental requirements with respect to governance and policy (including risk appetite), risk analytics, risk management, and monitoring and reporting" (Lam, 2017, p. 11).

As reported in the Executive Summary of Enterprise Risk Management Integrated Framework by the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2004), the Enterprise Risk Management is defined as: "a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives."

COSO's 2017 Framework, Enterprise Risk Management – Integrating with Strategy and Performance, defines enterprise risk management as "the culture, capabilities, and practices, integrated with strategy-setting and performance that organizations rely on to manage risk in creating, preserving, and realizing value."

Thus, ERM is a process based on understanding the interrelationship between risks with the aim of minimizing the negative effects and maximizing and/or optimizing opportunities towards value-creation.

2.3. COSO ERM framework

Committee of Sponsoring Organizations of the Tradeway Commission (COSO) was organized in 1985 to finance the National Commission on Fraudulent Financial Reporting, an autonomous private-sector initiative that explored the determining factors that can conduct to fraudulent financial reporting. It also drawn up recommendations for public companies and their independent auditors, for the SEC and other regulators, and for educational institutions. COSO's aim is to offer thought leadership dealing with three linked topics: enterprise risk management (ERM), internal control, and fraud deterrence. (COSO 2020).

The COSO ERM Framework is focused to achieving four objective categories:

- *Strategic*, high-level aim, conform to the mission;
- *Operations*, using resources effectively and efficiently;
- *Reporting*, accuracy of reporting;
- *Compliance*, observance of relevant laws and regulations;

These four objectives are combined with eight interrelated components, resulting from the way in which the enterprise is run by the management and how are integrated with the management process. These components are:

- *Internal Environment*: how risk is considered and approached by people in the organization.
- *Objective Setting*: what process management has in place to set and chose objectives aligned with the entity's mission.
- *Event Identification*: how internal and external events relating achievement of an entity's aim are identified and distinguished between risk and opportunities.
- *Risk Assessment*: how risks are examined, in consideration of likelihood and impact, and how they should be managed.
- *Risk Response*: risk response are selected by management formulating a set of actions to adjust risk with the entity's risk margin.

- *Control Activities*: which actions and operations are implemented to assure the risk responses are really executed.
- *Information and Communication*: how significant information are determined and communicated to allow persons to carry out their responsibilities.
- *Monitoring*: monitoring the ERM and making changes as necessary.

Recently, COSO (2018) presented an updated framework Enterprise Risk Management - Integrating with Strategy and Performance to propose five components and twenty principles that help organizations in creating ERM governance and processes to think strategically with regard to how to manage growing volatility, complexity and uncertainty of the internal and external business environment. These are principles are:

- *Governance and Culture*: exercises board risk oversight, establishes operating structures, defines desired culture, demonstrates commitment to core values, attracts develops and retains capable individuals.
- *Strategy and Objective-Setting*: analyzes business context, defines risk appetite, evaluates alternative strategies, formulates business objectives.
- *Performance*: identifies risk, assesses severity of risk, prioritizes risks, implements risk responses, develops portfolio view.
- *Review and Revision*: assesses substantial change, reviews risk and performance, pursues improvement in Enterprise Risk Management.
- *Information, Communication and Reporting*: leverages information and technology, communicates risk information, reports on risk, culture and performance.

Figure I - COSO's Enterprise Risk Management Framework

Data source: COSO (2018) "Applying enterprise risk management to environmental, social and governance-related risks", Preliminary Draft.

3. Italian Institutional Background

Risk management and corporate governance have acquired increasing attention by governor, academics, practitioners due to several scandals and to face financial crisis, both in the US and in European country. Thus, numerous reforms took place form late 1990s (Florio and Leoni, 2017). In the 1999 for the first time, it was issued a Corporate Governance Code in Italy by the Italian Stock Exchange Corporate Governance Committee for listed companies. It has been revised many times over the years, in 2002, 2006, 2010, 2011, 2014, 2015 and in 2018. It is based on the IV guiding principle named "comply or explain" principle (2014/208/UE, art. 123-bis del T.u.f.) which invites listed companies to clearly indicate specific recommendations, included in the principles and application criteria, from which they have diverged. Particularly, the Code requires for each deviations: (i) to explain how companies do not observe the recommendation; (ii) to describe the reasons for the deviation, in a precise and not generic way; (iii) to explain how the decision to not observing was made within the organization; (iv) to indicate, if the deviation is limited in time, from when they plan to follow the recommendation; (v) to outline any behaviour taken as an alternative to the recommendations not observed and explain how that behaviour achieves the objective underlying the recommendation or clarify how the adopted behaviour contributes to their good corporate governance.

The Code settings has, therefore, a logic of flexibility and allows organizations to disapply, in whole or in part, some of its recommendations. Moreover, the Committee considers that the not-comply choice does not lead to a prior assessment of a lack of value, because it may depend on several factors: the organizations may not be sufficiently structured to implement all the recommendations, it may consider some of them not functional or not compatible with its governance model or with the legal and financial situation of the company. Finally, the organization may have identified other solutions to achieve in other way the same purpose (Code of Self-Discipline, 2018).

The changes in the Italian regulation highlight the importance of board structure and the independent directors as a means to overcome Italian market weaknesses such as the markedly concentrated ownership and the trend for large owners to expropriate minority shareholders (Elshandidy and Neri, 2015).

Among the revision of the Italian CG Code, the 2011 reform recommends the creation of an integrated system of internal control and risk management constituted by a system of rules, procedures and organizational structures designated to allow the identification, measurement, management and monitoring of major risks (Borsa Italiana, art. 7.P.1, 2011). On the one hand, the Code refers to the system of internal control and risk management as a unitary system focused on risk, due to the control system is concentrated on risk identification and its evaluation. On the other hand, a system of control, to be efficient, shall be integrated. Thus, its components shall be coordinate and interdependent and the system shall be itself integrate with the overall organizational, administrative and accounting system of the organization.

The system of internal control and risk management involves several subject, each for its own competences. The Board of Directors has a role of guidance and assess the adequacy of the system, with one or more administrator responsible for establishing and maintaining an effective internal control and risk management system and a Committee with a supporting role for the board decisions. The internal control and risk officer and the internal auditing function verify that the system of internal control and risk management is functioning and adequate. Finally, the statutory board monitors the effectiveness of the internal control and risk management system. However, the subjects do not work independently, the interactions among them must be coordinated by the organizations, to maximize the efficiency and to reduce duplication of work (Borsa Italiana, art. 7.P.3, 2011).

Table I provides a summary of the main risk management responsibilities of the subject described above according to the Italian CG code revised in 2011.

Further, the 2015 reform of the Italian CG Code increased partially duties. In particular, the Board of Directors discloses and assesses the system of internal control and risk management main characteristics and the coordination among people and bodies designed to it. (Borsa Italiana, art. 7.C.1, lett. D, 2015) Moreover, the Corporate Governance Committee supports the evaluation and the decisions made by the Board of Directors relating to the management of risks arising from injurious events of which the Board has become aware. (Borsa Italiana, art. 7.C.2, lett. F, 2015).

In addition, the Committee considers that, at least in the organizations belonging to the FTSE-MIB index, an appropriate internal control and risk management system

Table I - Risk management duties according to the 2011 Italian CG code reform

Subject	Duties
Board of Directors (BoD)	• Lead the internal control and risk management (ICRM) system to favour the identification, measurement, management, and control of risks in the company and its subsidiaries, according to its risk appetite and its strategy. • Evaluate, at least yearly, the suitability and the effectiveness of the ICRM system according to the characteristics of the company and its risk appetite. • Endorse, at least yearly, the IC program, consulting the Board of Statutory Auditors (BoSA) and the ICR officer. • Describe in the CG report the main features and the suitability of the ICRM system. • Assess, in accordance with the BoSA, the results of the external audit. • Appoint and overrule the internal audit manager, ensure the availability of his resources, and define his remuneration according to the company's policies.
Internal Control and Risk (ICR) committee	• Evaluate, in collaboration with the chief financial officer, the external auditor, and the BoSA, the accuracy of the use of accounting principles. • Give opinions about the approach to the identification of the firm's risks. • Study the reports provided by the ICRM system and the internal audit function. • Check the independency, suitability, effectiveness, and efficacy of the internal audit function. • Report to the BoD, at least biyearly, about its activity and the suitability of the ICRM system.
Internal Control and Risk (ICR) officer	• Identify the company's risks, with reference to the characteristics of the business, and report timely on risks to the BoD. • Carry out the guidelines provided by the BoD, programming, executing, and managing the ICRM system, maintaining constant control of its suitability and effectiveness. • Accomplish the coordination of the ICRM system with the operating and regulatory conditions. • Ask for verifications from the internal audit function regarding compliance with rules and strategy, reporting to the BoD, the ICR committee, and the BoSA. • Report timely to the ICR committee (in case of absence to the BoD) about identified critical issues.

Data source: Florio and Leoni: Enterprise risk management and firm performance: The Italian case, (2017).

should be provided of an internal reporting system for employees of any irregularities or violations of applicable legislation and internal procedures, known as whistleblowing system. Thus, in line with existing national and international best practices, it guarantees a specific and confidential information channel as well as the anonymity of the reporter (Borsa Italiana, art. 7, 2015).

Furthermore, it is important to point out that the recent 2018 reform of the Italian CG Code has not made changes to the article 7 regarding the system of internal control and risk management section.
Finally, it has to emphasize that an explanation in details of the risk and uncertainties by managers is requested in the Management Discussion and Analysis (MD&A) section of the annual report, as a consequences of the introduction and implementation of Directive 2001/65/EC and the subsequent Legislative Decree No. 32/2007 that modified Article 2428 of the Civil Code (Elshandidy and Neri, 2015).

3.1 Research Questions

Both the academic and the CG regulation shed light on the need for further research into the consequences of ERM implementation, particularly in under-investigated contexts, like Italy (Florio and Leoni, 2017). Furthermore, companies are aware that they face an evolving scenery of emerging risks that can impact a company's profitability, success and even survival (COSO wbcsd, 2018).
In addition, risk disclosure has received more attention in the last few years and an increasing number of researches have been published.
Thus, given the normative references discussed above, including the relevance and the fundamental need of risk management disclosure in the organizations, I expect to find out in literature a substantial series of papers focused on risk management disclosure process. Specifically, how the disclosure process works, especially how the nature and extent of the content about risk management included in the Corporate Governance report is determined.
However, Panfilo's (2019) findings, suggesting "the limits of voluntary disclosure regulation and the conditions under which this happened showing how companies tend to not fully disclose their effective internal ERM process", indicate there is a literature gap in relation to the risk disclosure process.
Thus, the current thesis attempts to answer at the following research questions:

HP1. What's the literature discussed about the risk management disclosure process?

HP2. What are the emerging gaps?

4. Research Design

This research has been made following a three-phase procedure as described by Tranfield et al. (2003) and Kitchenham and Charters (2007):
Phase I - Planning the Review Process - Defining the research scope and objectives; developing the proposal and formulating the research protocol;
Phase II - Conducting the Review Process - Defining, selecting, assessing and synthesizing the relevant research studies;
Phase III - Reporting and Dissemination of the Overall Research Results - Descriptive reporting of results;

4.1 The Research Protocol

- Condition I - The research was conducted by searching the Scopus database. Scopus is chosen because it "brings together superior data quality and coverage, sophisticated analytics and advanced technology in one solution". Scopus database indexes content from 24,600 active titles and 5,000 publishers, making possibile to search for and locate a notable proportion of the published data in the risk disclosure and risk management area.
- Condition II - From the Document Type option, only journal articles were selected. Other documents like review, conference paper, book or book chapter, editorial, note, short survey, and letter were omitted.
- Condition III - Articles belonging to Business, Management and Accounting disciplines and in the English language were only considered, not including the articles published in other languages. This could be recognised as a limitation.
- Condition IV - Articles' applicability was verified by demanding that selected articles included a series of words throughout the paper, including title, abstract and keywords. Basically, the articles were evaluated with particular attention given to those sections that referred to risk and risk management disclosure.
- Condition V - Reading the articles was the latter process to confirm the alignment between the selected article and the aim of the research.

In accordance with Delbufalo (2012), there are four stages of database searching process as follow:

- Phase II.1 - The keyword “risk management”, “risk disclosure” and “report* or statement” were entered into the Scopus database, following conditions II and III. Indeed, only journal articles were selected, belonging to Business, Management and Accounting disciplines and in the English languages. This procedure generate 220 articles. Following the Scopus query string used.

TITLE-ABS-KEY (risk AND disclosure AND management AND disclosure AND report OR statement) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j"))*

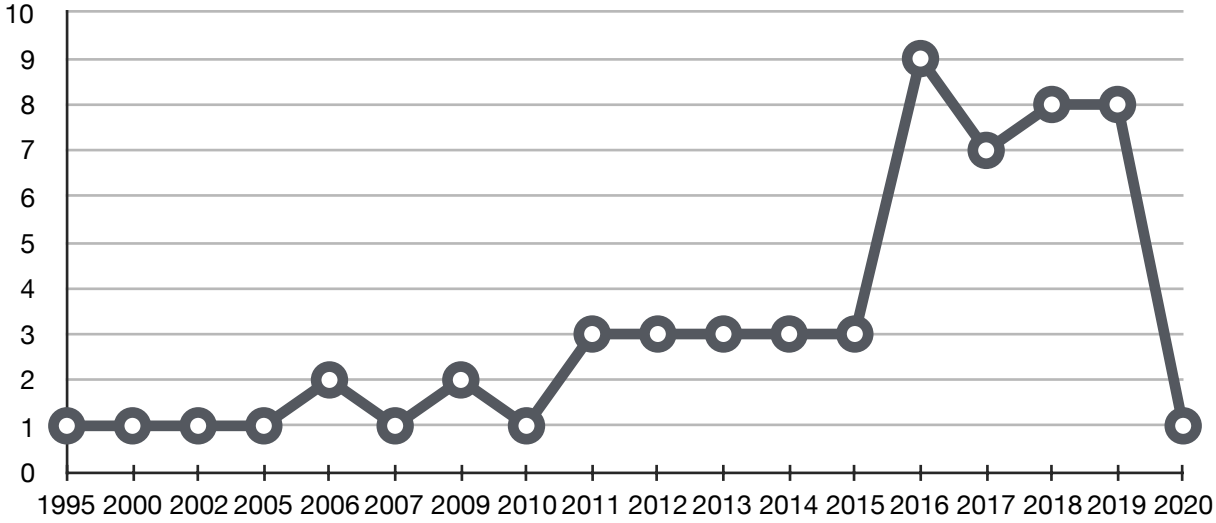
- Phase II.2 - Afterwards, a title, abstract and thorough article analysis was done, based on conditions IV and V. Most of the papers (i.e. 161) were excluded during this phase for various reasons. Off-topic paper is one of these, even if the word “risk disclosure” or “risk management” was in the title or abstract. Some articles did not refer to risk disclosure or risk reporting as main focus, even though they explored risk area. Finally, other articles were irrelevant to the aim of the research. At the conclusion of this process, 59 articles were examined for further research.
- Phase II.3 - In this step, the chosen articles were further evaluated to generate a more precise literature review.

This descriptive investigation produced a table designed to contain details as follow: journal H-index from Scimago; number of citations from Scopus; journal ABS ranking; author(s); year of publications; article title; journal title; academic discipline from Scopus; location of the study according to the journal, to author(s) affiliation and to the focus of the paper; article typology; main topic stream; aim of the study; theoretical framework, qualitative or quantitative research methodology; primary or secondary data used; industry investigated; specific research methodology applied; unit of analysis; main findings of the study; voluntary or mandatory disclosure; type of risk; personal comments; main research focus; date of data collection.

5. Literature Review

The reviewed literature about risk disclosure cover a period of time between 1995 and 2020, but most of the research are made after 2010, suggesting the trigger of the Global Financial Crisis started in 2007/2008. Papers about risk management disclosure boosted since 2016, as reported in Figure I. It is necessary to underline that in 2020 just one paper has been reported because the literature review was conducted on February 2020.

Figure I - Number of publications per year



The explored articles can be divided according to authors affiliation (Fig. II).
Most of them are affiliated to Asian continent (i.e. 18). Also 15 European authors examined risk disclosure in their researches. Authors from American and Northern American area conducted 12 researches, followed by African authors (i.e. 10 researches) and finally, Oceania area with the least amount of papers (i.e. 3).
With regard to location of the study (Fig. III), on the one hand, the Asian setting is the most investigated (i.e. 16), especially Malaysian companies; on the other hand, Oceania and America are the less investigated contexts, with 2 and 6 articles respectively. International studies means that the paper investigate more areas in different continents. This type of research is used in 11 papers.

Figure II - Number of publications according to authors affiliation

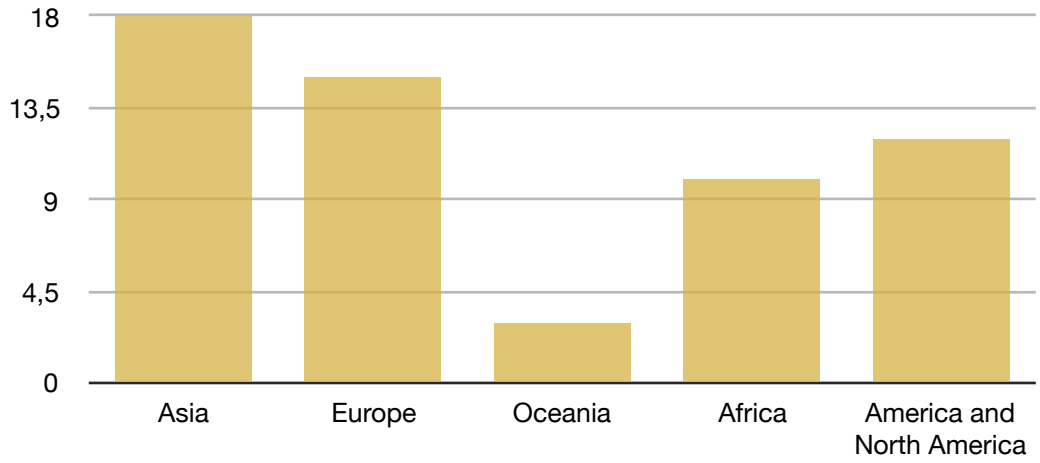
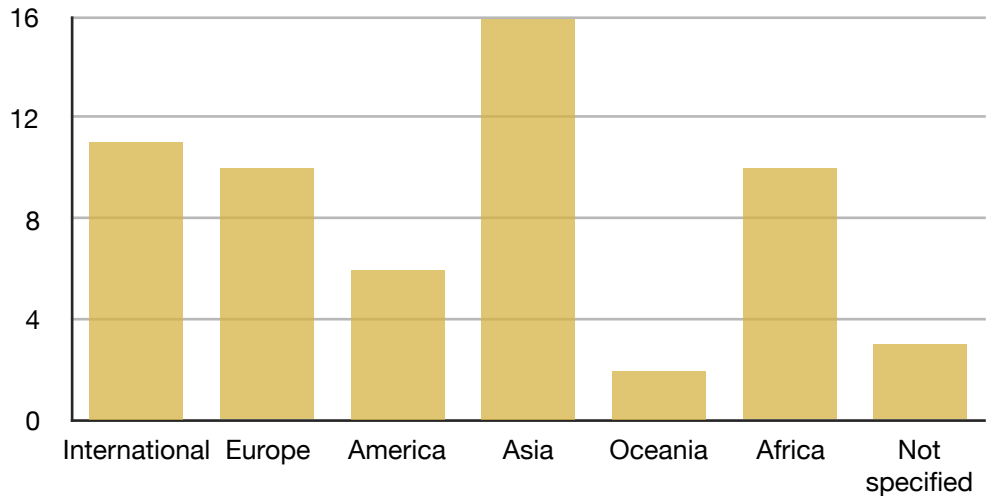


Figure III - Location according to the focus of the paper



As regard location of the study and year of publication, the most striking feature on the graph is that in Asian area researches on risk disclosure rose significantly in 2016, while in African area studies about risk disclosure increased sharply in 2016 and 2017. Both International and European studies remain steady during the examined period (Fig. IV).

Contrary to expectations, there is not a huge difference between industries representing in the focus of the investigation (Fig. V).

In fact, no industry type dominate the others. “Various industries” means that the focus of the article includes both financial and non-financial industries. Overall non-financial industry is the most investigated, first studied in 2006 (Fig. VI) and then it remains steady over the years. Financial industry studies rose significantly in 2016, maybe in relation to the end of the Global Financial Crisis.

Figure IV - Location of the study per year

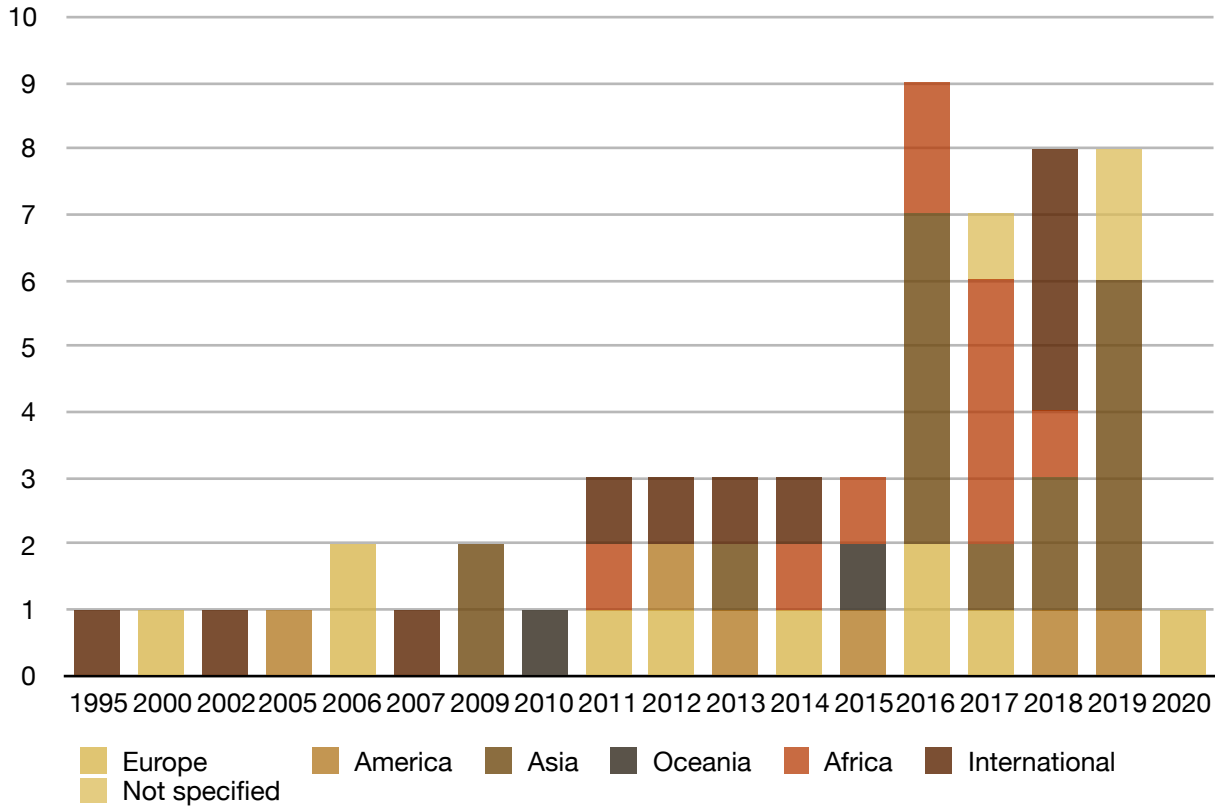


Figure V - Industry of the study

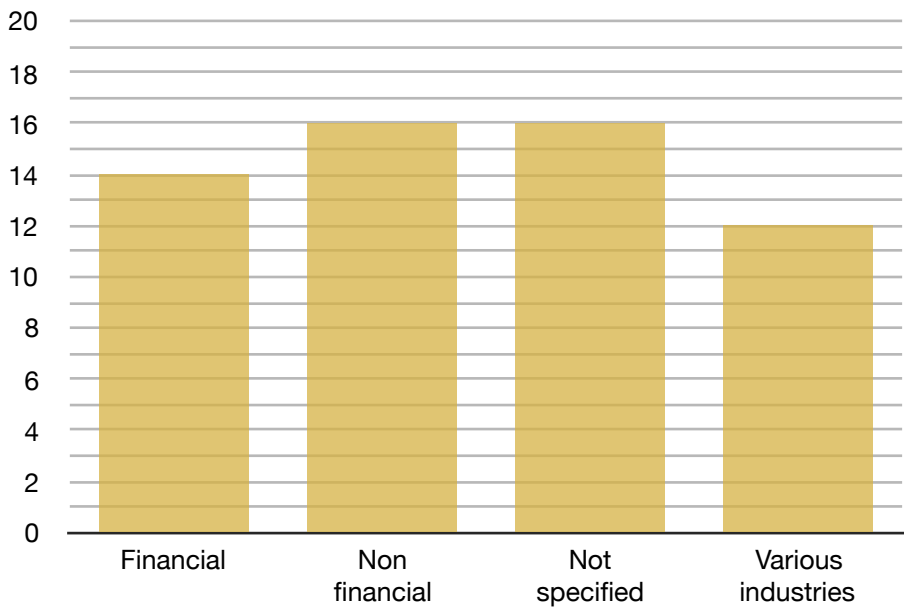
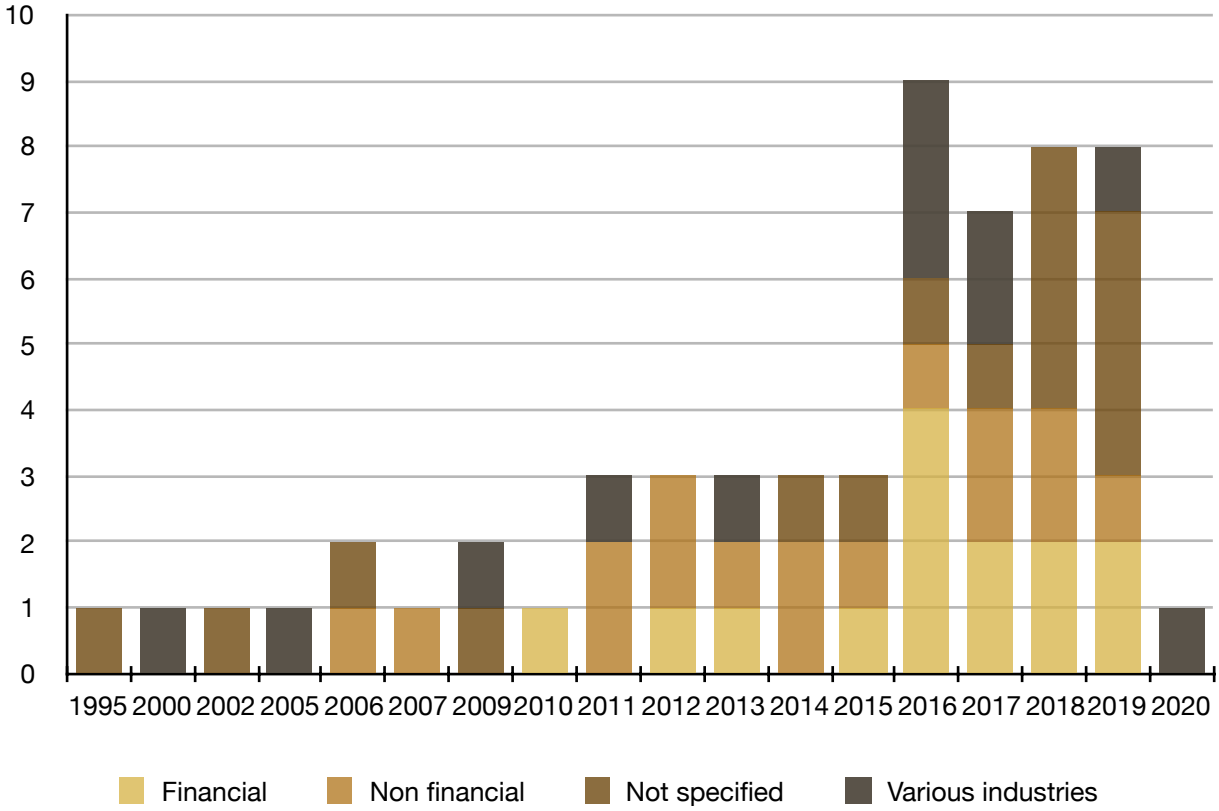


Figure VI - Industry of the study per year



The type of risks the study analyzed have been classified according if there are: “financial”; “non-financial” i.e. includes strategic, operational, compliance and reporting risks (relying on COSO, 20xx); “financial/non financial” with consider both financial and non-financial risks; “not specified” means the type of risk discussed in the paper is not specified. The graph (Fig. VII) describes type of risk in this research and the number of paper per risk type is also given. As can be seen, most of the articles has a not specified risk (i.e. 38%), followed by articles which analyzed both financial and non-financial risks (i.e. 24%). Contrary to expectations, financial risk is the less investigated, maybe due to the fact that financial industry does not predominate non-financial industry in this literature review.

The bar chart (Fig. VIII) illustrates which type of risk have been investigated along the years. It can be seen that financial risk first article was published in 2009 and then the financial risk subject remained steady trough the following years. However, non-financial risk articles increased in 2016 and 2017, even if also articles in the previous years refer to both non-financial and financial risk. These results suggest for an increasing interest into non-financial risk aspects. This may also due to an

increase non-financial risk consideration suggested by many standard setters (e.g. CDP, IR, EU Directive on non-financial statement).

Figure VII - Type of risk disclosure

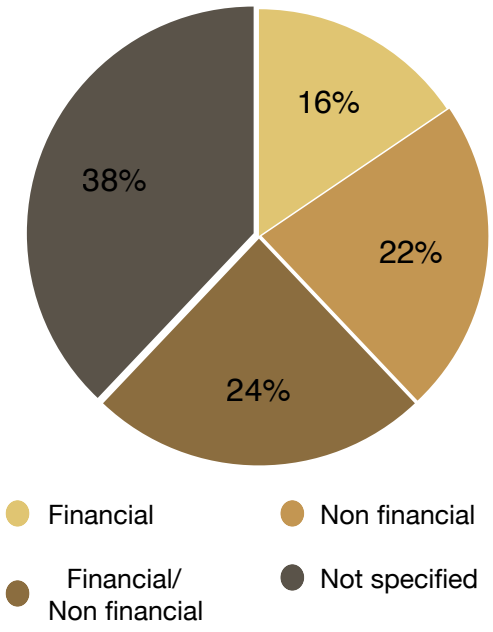


Figure VIII - Type of risk disclosure per year

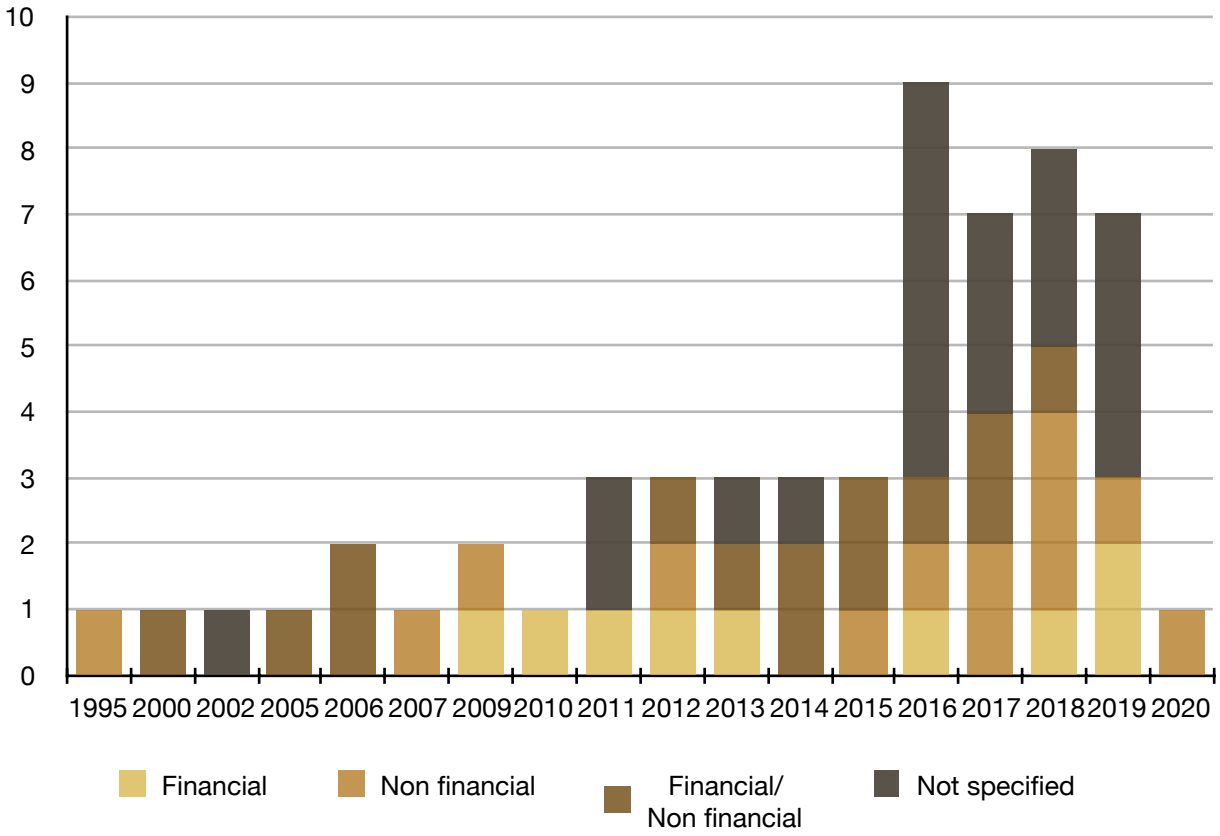
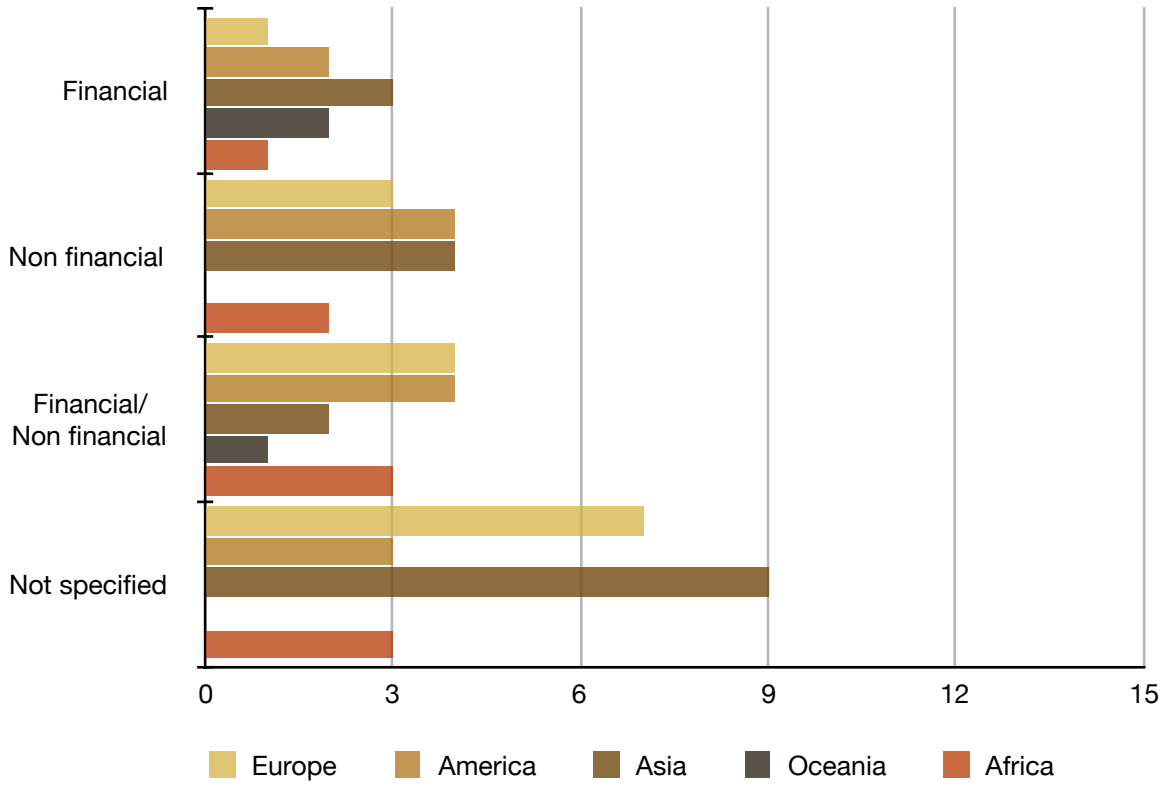


Figure IX shows information about type of risk compares with location according to authors affiliation in terms of continent. Non-financial risk is more investigated in articles made by American and Asian authors. At the same time, Oceania has not studies about non-financial risk and it is the less studied area for both financial and non-financial risk articles. It is also worth to point out that Asia more studied area is in not specified risk type, while American authors studied all type of risk mostly to the same extent.

Figure IX - Type of risk disclosure per authors affiliation



Further, risk disclose, can be also divided according to its compulsoriness or voluntariness. Thus the options defined can be: “mandatory” disclosure where the paper analyze just risk disclosure in mandatory context; “voluntary” disclosure where the paper analyze just risk disclosure in voluntary context; “voluntary/ mandatory” disclosure which means that in the study is investigated the switching from voluntary to mandatory disclosure; “not specified” is whether the type of disclosure in the article is not explicit. From the pie chart is clear that the majority of articles refer to mandatory disclosure, while only a small minority investigate

voluntary disclosure and the transition from voluntary to mandatory disclosure (i.e. 9%).

Fig. X - Type of disclosure

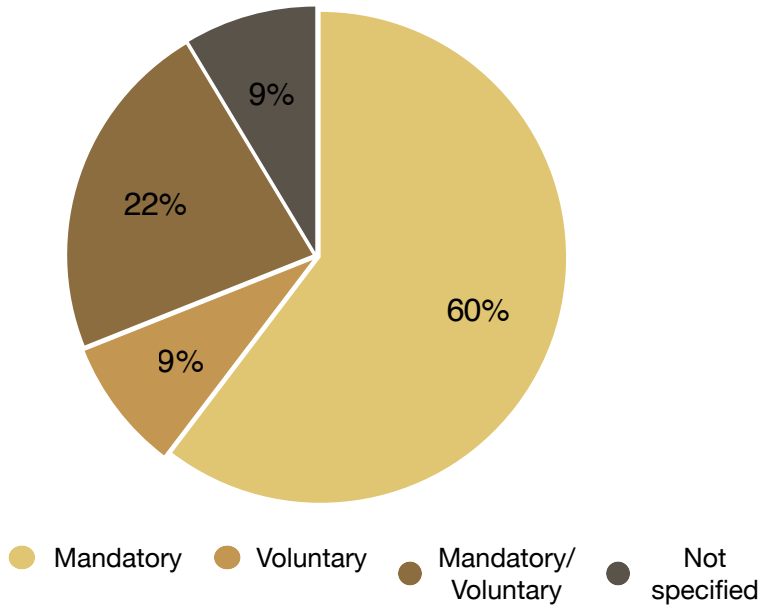
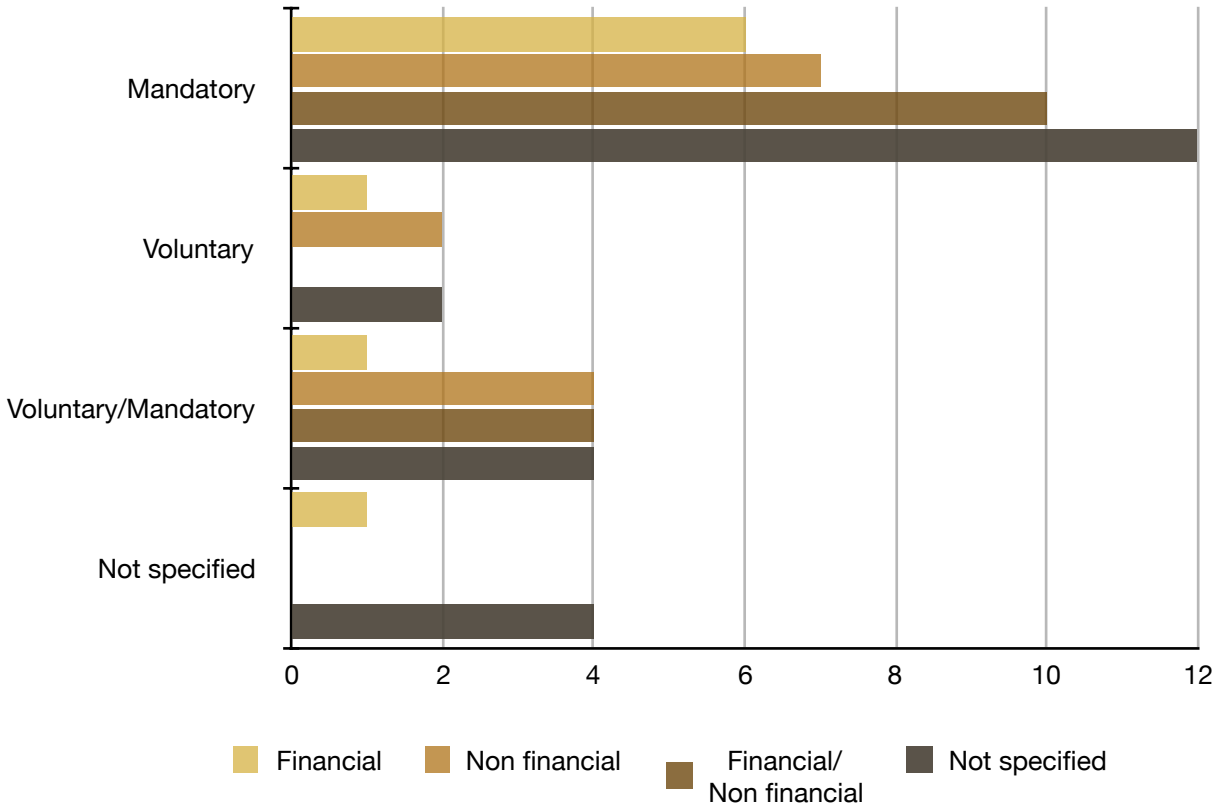


Figure XI describes type of disclosure in relation to the type of risk analyzed. The bar chart illustrates that mandatory disclosure of financial and non-financial risk is the most investigated (i.e. 10 papers), followed by mandatory disclosure of non-financial risk (i.e. 7 papers). As expected, for financial risk mandatory disclosure is the most studied area (i.e. 6).

It is also worth to point out that the switching from voluntary to mandatory disclosure is equally investigated between financial and non-financial risk, four papers for each area.

Figure XI - Type of disclosure per type of risk



5.1. Types of Non-Financial Risk

The types of non-financial risk management explored in the literature review are reported in the following table, indicating the type of non-financial risk investigated in each paper. Typical risk categories, recognized by COSO guidance, include strategic, operational, financial and compliance. Some paper include other categories, such as environmental and reporting risks.

Table II - Type of non-financial risk in the literature review

Author(s)	Type of non-financial risk
Leopizzi et al. (2020)	Strategic, operational, compliance, reporting
Frank et al. (2019)	Reporting
Hemrit (2018)	Operational
Mazumder & Hossain (2018)	Reporting
Soebyakto et al. (2018)	Operational, Power, processing, integrity, strategic (+ financial)
Oliveira et al. (2018)	Reporting
Vincent et al. (2017)	Operational
Ellili, Nobanee (2017)	Strategic, operational (+ financial)
Kakanda et al. (2017)	Environmental, Operational (+ financial)
Segal et al. (2017)	Operational (?) - tax risk
Ghani et al (2016)	Operational
Samanta & Dugal (2016)	Operational (+ financial)
Jizi (2015)	Reporting
Moloi (2015)	Strategic, operational, compliance (+ financial)
Buckby et al. (2015)	Strategic, operational, compliance, environmental (+ financial)
Rodriguez Dominguez & Noguera Gamez (2014)	Operational, environmental, strategy (+ financial)
Maingot et al. (2014)	Operational (+ financial + business)
Ismail et al. (2013)	Operational, compliance (+ financial)
Maingot et al. (2012)	Operational (+ financial + business)
Greco (2012)	Reporting
Amran et al. (2009)	Reporting
Marshall & Weetman (2007)	Reporting
Linsley, Shrives (2006)	Operational, strategic (+ financial)
Thuelin et al. (2006)	Operational, strategic, environmental (+ financial)
Lajili & Zéghal (2005)	Operational, strategic, environmental (+ financial)
Solomon et al. (2000)	Operational, strategic, environmental (+ financial)
Meier et al. (1995)	Strategic

5.2. Clustering of Paper According to the Main Topics

Following descriptive statistics on the literature review it is now possible to cluster it according to the main paper topics dealt in the paper (see Table III).

Table III - Clustering of paper according to the main topics

	Authors
Determinants	*Lobo et al. (2019); Ng & Lee (2019); Smith et al (2019); Frank et al. (2019); Farida et al. (2019); Gao et al. (2019); Al-Smadi (2019); Hemrit (2018); Dos Santos & Coelho (2018); Mazumder & Hossain (2018); Soebyakto et al. (2018); Oliveira et al. (2018); Abdullah et al. (2017); Ellili & Nobanee (2017); Vincent et al. (2017); Abdelrehim & Verma (2017); Al-Maghzom et al. (2016); Kulikova & Gubaidullina (2016); Ghani et al. (2016); Samanta & Dugal (2016); Nahar et al. (2016); Adam et al. (2016); Jizi (2015); Rodríguez Domínguez and Noguera Gámez (2014); Elkelish & Hassan (2014); Maingot et al. (2014); Probohudono et al. (2013); Xu et al. (2013); Oliveira et al. (2011); Taylor (2010); Marshall & Weetman (2007); Linsley & Shrives (2006); Lajili & Zeghal (2005); Solomon et al. (2000);*
Implementation	*Leopizzi (2020), Al-Smadi (2019); Jones et al. (2018); Kakanda et al. (2017); Segal et al. (2017); Togok et al. (2016); Mandzila & Zéghal (2016); Moloi (2016); Moloi (2015); Buckby et al. (2015); Ismail et al. (2013); Greco (2012); Hassan (2011); Thuélin et al. (2006);*
Outcome	*Shivaani et al (2019); Maingot et al. (2018); Maingot et al. (2012); Savvides & Savvidou (2012); Dobler (2011); Amran et al. (2009); Othman & Ameer (2009); Marshall & Weetman (2002); Meier et al. (1995);*
Process	*Moloi (2017);*

5.2.1. Risk (Management) Disclosure Determinants

Most of the articles (i.e. 34) are focused to study the factors that influence risk management disclosure.

Solomon et al. (2000) identified the state of the art of UK corporate risk disclosure and developed a framework for corporate risk disclosure to create an “ideal” risk disclosure framework. They used this framework to verify the opinion of a sample of institutional investors.

Lajili and Zeghal (2005) examined risk information disclosures in publicly listed Canadian firms annual reports. They found a high level of risk disclosure intensity reflecting both mandatory and voluntary risk management disclosures. At the same time, the analytical power of such disclosures, as captured by the risk assessment analysis emerges to lack homogeneity, clarity and quantification, thus potentially restricting their usefulness.

Linsley and Shrives (2006) performed an analysis for British companies to examine firms' risk reporting practices. They stated that there is a significant association between the number of risk disclosures and company size. However, it was found not association between the number of risk disclosure and five other measures of risk: gearing ratio, asset cover, quiscore, book to market value of equity and beta factor.

Like Lajili and Zeghal (2005) also Marshall and Weetman (2007) found incomplete disclosure in both US and UK firms samples, but for different reasons. For US companies, the information gap is lower where information has higher relevance or firms with higher financial risk. For the UK sample, the information gap is significantly lower where firms have higher financial risk or higher liquidity.

Taylor et al. (2010) found that the introduction of IFRS changes corporation's willingness to communicate risk information by Australian listed companies.

Oliveira et al. (2011) assessed the risk-related disclosure practices in Portugal companies annual reports. They stated that implementation of IAS/IFRS and the European Union's Modernisation Directive in 2005 did not impact the quantity and quality of risk-related disclosure positively. Disclosures are generic, qualitative and backward-looking.

Xu (2013) evaluated newly developed commercial risk ratings from the Disclosure Insight Inc as a basis for a corporate governance approach to risk management. Their study finds significant positive abnormal risk-adjusted returns for companies with lower risk ratings and these companies also outperform the S&P500.

Also Probohudono et al. (2013) investigated the key factors upon the extent of risk disclosures in manufacturing Asian companies. They found by multiple regression analysis that country, size and board independence are positively significantly associated with the magnitude of risk disclosure, in that case voluntary risk

disclosure; in addition, they stated that leverage is negatively significantly associated with voluntary risk disclosure.

Maingot, Quon and Zéghal (2014) studied risk disclosures by non-financial US and Canadian companies and explored the impact of 2008 financial crisis; they also compared the number of risk disclosures by US companies and Canadian ones in the same industries. Against all expectations the average number of disclosures per company was higher, but the increase from 2007 to 2008 was smaller for US companies compared to Canadian companies.

Elkelish and Hassan (2014) investigated the relationship between organizational culture and corporate risk disclosure for listed companies in the United Arab Emirates (UAE). By multiple regression, they found that the organizational culture has a significant positive effect on the companies' risk disclosure.

Also Rodríguez Domínguez and Noguera Gámez (2014) examined the factors underlying risk disclosure by the largest Spanish companies. Results show that while an extended management board might improve the amount of detailed information about the risks required by the current regulation, it tends to adopt a conservative policy of reporting concerning the voluntary disclosure.

The influence of the board of directors is a determinant studied also by Jizi (2015), as well the impact of audit committees structures in US commercial banks. The results suggest that CEOs with dual role are more concerned to disclose wider content of risk management disclosure to communicate their courtesy toward managing bank risk.

Moreover, the results also suggest that the frequency of audit committee meetings positively influence the content of risk management disclosure.

Adam et al. (2016) and Nahar et al. (2016) explored, respectively, the influence of company's characteristics to the enterprise risk management disclosure in the annual report of Indonesian banking companies and the determinants of risk disclosure by banks in Bangladesh. Adam et al. stated that company size, management ownership and type of auditor has positive and significant effect to the enterprise risk management disclosure by multiple regression analysis. Indeed, they also found that public ownership has a negative and significant effect to enterprise risk management disclosure and leverage, profitability and liquidity has insignificant effect to the enterprise risk management disclosure. Nahar et al. (2016)

found that whilst the determinants of disclosure vary across types of risk, the number of risk committees, leverage, company size, the existence of a risk management unit, board size and a Big4 affiliate auditor are significant determinants of at least one category of risk disclosure.

Samanta and Dugal (2016) investigated the nature and characteristics of regulatory risk management reporting by banks in India. Results show that the total quantity of disclosure varies significantly across banks and that asset size and net income are positively correlated with the quantity of regulatory disclosure and negatively correlated with the variation of this disclosure.

Ghani et al. (2016) investigated the level of risk management and operational information disclosure of Malaysian public listed firms, with their impact on the financial performance of the firms. They found that the level of risk management and operational information disclosed affects firms' financial performance in terms of return on equity. In addition, the findings in this study indicate that the amount of risk management and operational information disclosed in the firms' annual reports could influence the firms' performance.

Also Kulikova and Gubaidullina (2016) studied the impact of information disclosure about the risk in financial statement on strategic planning. They found that the use of modern methods of prediction and the disclosure of obtained results in the accounting (financial) statements with the presentation of the planned measures for negative factor elimination will improve significantly the quality of reporting, aimed at the meeting of user information needs. At that it should be noted that the high degree of accounting information transparency cannot be achieved describing only the existence of risks in financial statements. Therefore, in order to improve the predictive quality of accounting information, it is advisable to rank the risks in terms of their impact on the economic security of business.

Al-Maghzom et al. (2016) explored corporate governance and the demographic traits of top management team as the determinants of voluntary risk disclosure practices, in addition to the effect of a combination of other determinants. The findings show that external ownership, audit committee meetings, gender, size, profitability and board size are primary determinants of voluntary risk disclosure practices.

Abdelrehim et al. (2017) assessed whether the risk perceptions and the approaches to risk management are consistent with the patterns of social relations. The annual report risk disclosure are found to be consistent with the dominant patterns of social relations.

Smiliar to Al-Maghzom (2016), Vincent et al. (2017) examined whether the characteristics of top management, in particular, Chief Information Officer (CIO) reporting structure and Chief Executive Officer (CEO)/Chairman duality influence the maturity of IT risk management practices. They found that the IT risk management practices are higher when the CIO reports directly to the CEO, but it is not more mature when CIO reports to the Chief Financial Officer (CFO). Instead, operational risk management is higher when the CIO reports to the CEO.

In line with Ghani et al. (2016), the study by Ellili and Nobanee (2017) investigated the level of corporate risk disclosure and its impact on banking performance. Contrary to previous study, they found that the effect of the degree of the corporate risk disclosure on the performance is insignificant. In addition, the results show low degree of the overall corporate risk disclosure index, strategic risk disclosure index, operational risk disclosure index, damage risk disclosure index, and risk management disclosure index for listed banks of United Arab Emirates.

Like others, also Abdullah et al. (2017) studied the influence of risk management committee (RMC) and audit committee towards voluntary risk management disclosure (VRDM) and found that their presence and activeness increase VRDM. Contrary, the absence of RMC and the presence of AC contributes to the improvement of VRMD.

More recently Oliveira et al. (2018) assessed the risk reporting practices in Portugal and Spain and found that visible companies, operating in a country with a weaker legal environment, and during periods of financial distress disclose more discretionary risk-related disclosures, basically to contextualize their negative outcomes.

As Samanta and Dugal (2016), also Soebyakto et al. (2018) studying the effect of company characteristics on risk management disclosure, found that firm size and management ownership have significant effects, while leverage has a negative and significant effect on risk management disclosure. Results are confirmed by Mazumder and Hossain (2018) that reviewed the exiting literature on corporate risk

reporting and found that company size remained as one of the main factors influencing risk disclosure. In fact, larger companies are reporting more on risk related issues. In addition, it can be said that non-managerial stakeholders can have more protection and make better economic decisions by using risk disclosure.

Dos Santos and Coelho (2018) studied whether the risk disclosure in accounting reports and its management affects firm valuations in the Brazil capital market. The findings confirmed that information about risk shows informational relevance for firm valuations. Information on risk management in a firm, in turn, was not shown to be significant in terms of affecting company share valuations.

Contrary to Nahar et al. (2016), Hemrit (2018) showed that board size is negatively associated with risk disclosure. Moreover, he found that operational risk disclosure is positively associated with operational losses frequency, institutional size (in line with both Samanta and Dugal, 2016, and Soebyakto, 2018) and the quota of independent non-executive members of the board.

Different results are showed by Al-Smadi (2019) evaluating the compliance level of corporate governance regulations and the impact of this compliance in Jordan corporations. Hemrit (2018), he found that the size of the board of directors, independence of the board, and committees of the board have a negative impact on corporate risk taking. In addition, the results showed a good level of overall compliance.

Gao et al. (2019) explored the relationship between risk warnings in Chinese companies' annual reports and corporate bond credit spreads. The findings show that substantial risk warnings can significantly improve corporate bond credit spreads.

As others authors, Farida et al. (2019) found that company size, leverage and risk management committee have a significant effect on Enterprise Risk Management. At the same time, independence of the committee have no significant effect on Enterprise Risk Management.

Frank et al. (2019) provided evidence that the efficacy of voluntary cybersecurity risk management reporting and independent assurance depends on whether a firm has disclosed a prior cyberattack. They found that issuing the management component of the AICPA's cybersecurity reporting framework absent assurance is more effective

when a company has not disclosed a prior cyberattack as nonprofessional investors are less likely to question the reliability of management's reporting.

Smith et al. (2019) studied cloud-computing risk disclosure, in particular the association between a firm's disclosure of cloud-computing risks and its likelihood of disclosing a material weakness. Results show that, for firms that identify cloud-computing as a significant risk, the external auditor is less likely to issue a material weakness.

Ng and Lee (2019) explored whether prospective investors benefit from the risk disclosures in the IPO-prospectus, with regard to the more accurate risk information The authors deduce that the IPO-prospectus of Malaysian companies do not provide sufficient risk-relevant information in the risk factor section, because they not successfully predict the volatility of companies' future stock prices, the sensitivity of future stock prices to market-wide fluctuations and the severe declines in future stock prices.

Lobo et al. (2019) examined whether risk disclosures contain useful information about companies' risk management efforts to assess the efficiency of risk management. They found a negative coefficient for the disclosure modification measure; in addition, the association between risk disclosure modification and cash flow volatility persists over multiple years.

5.2.2. Implementation (Effect of Mandatory Risk Disclosure Implementation)

The main topic of investigation refers to the implementation of risk disclosure (14 out 59 papers). These are focusing in exploring the consequences of the introduction of mandatory disclosure and the level of compliance with requirements. In other words, these articles aim to identify the impact of risk disclosure before and after implementation of new regulations. On the one hand, some authors found that even with new mandatory requirements, companies do not modify their disclosure and are reluctant to disclose more about risks. On the other hand, other authors found that with new mandatory requirements, companies increased and improved their risk disclosure.

Thuélin et al. (2006) examined how companies are compliant with the increasing risk mandatory reporting. They created an inventory of rules currently existing, in order to recognize the risk disclosure context faced by French companies and found that there is no unanimity between the different pieces of legislation.

Hassan (2011) aims at exploring the institutional development behind risk regulations in an emerging capital market located in the United Arab Emirates and, at the same time, explore how the UAE corporations' managers put into effect and deploy these regulations. The author finds that the UAE institutional context eliminate pressures on individual corporations to put into effect risk disclosure regulations.

Greco (2012) studied the effect of new regulatory requirements on disclosure in Italy. The author found that even when new mandatory disclosure is implemented managers exploit discretion and do not modify their disclosure policy, continuing to hide relevant information to external users. Before and after the introduction of new regulation managers' attitude appears in line with self-interest to preserve themselves from litigation and competitive costs, as well as from possible decreases in the firm's value.

Also Bucky et al. (2015), investigating how listed Australian companies disclose risk management information in accordance with the Australian Securities Exchange (ASX) corporate governance framework, found widespread divergence in disclosure practices and low conformance with the Principle 7 of the ASX CGPR. This result suggests that companies are not disclosing all "material business risks" possibly due to ignorance at the board level, or due to the intentional withholding of sensitive information from financial statement users.

Moloi (2015) investigates the risk disclosed by South African listed mining companies pre and post the Marikana incident and it was found that the most prominent risks revolved around the fluctuation in commodity prices and currency volatility. The implication of this is that other risks may not necessarily be receiving attention and it is possibly distorting risk profile of organizations concerned. One year later, Moloi (2016) examined risk governance in certain selected industries of the South African economy. This time, he found a high level of risk management practices by the JSE listed companies. This could be attributed to the fact that the King Code has been incorporated as part of the JSE listings requirements.

Like other authors, Mandzila & Zéghal (2016) studying the content of board chair reports to assess their relevance and compliance with mandated disclosure requirements, found that, with the exception of banks subject to a more stringent regulatory standard, the mandatory nature of the legislation did not translate in extended disclosures about internal controls and risk management practices.

Ismail et al. (2013) examined the risk management disclosure by all 17 Islamic financial institutions in Malaysia from 2006 to 2009, covering the period before, during, and after the global financial crisis. In contrast with other authors, Ismail shows that the risk management disclosure among the Islamic Financial Institutions was satisfactory. Analysis for a four year period revealed that the risk disclosure has greatly improved before and after crisis indicating that Islamic Financial Institutions have taken the necessary steps to improve their disclosure.

Like Ismail, Togok et al. (2016) investigated Malaysian companies to identify ones that had adopted ERM and to determine the intensity of risk disclosure before and after the implementation of the 2013 Bursa Malaysia Guidelines. They found that the level of risk disclosure had increase by five (5) per cent and findings from the online survey further suggest that 53 per cent of respondents confirmed the adoption of ERM.

Segal et al. (2017) evaluated how South African organizations identify, rank and manage tax risks in terms of importance and relevance to their own corporation. From the interviews emerged an understanding of Tax Risk Management practices in place and certainly some evolution of these practices over the years.

Kakanda et al. (2017) examined the extent of risk management practices of listed financial service firms in Nigeria after the Corporate Governance (CG) reform in the year 2011. They found that there is a significant disclosure of risk management practices of the sampled firms, even if firms remain reluctant in the disclosure of their environmental risk and operational risks.

Jones et al. (2018) studied the voluntary disclosure of risk-related issues for listed banks in the major European economies. In particular, they examined if banks portray credit risk-related information in graphs accurately and whether these graphs provide incremental, rather than replicative, information. Results indicate that credit risk graphs provide incremental information, while riskier banks less likely to use risk graphs.

Al-Smadi (2019) examined the compliance level of corporate governance rules and examine the impact of this compliance on risk taking of firms in Jordan. The results show a good level of overall compliance of corporate governance rules, with a negative influence of corporate governance and corporate risk taking. In addition, the author found a negative impact of the size of the board of directors, independence of the board, and committees of the board on corporate risk taking. Finally, Leopizzi et al. (2020) explored the level of non financial risk disclosure after the introduction of the Directive 2014/95/ EU on non financial information in Italian companies. They stated that the level of non financial risk disclosure is better than before the implementation of the directive and also still based on the past and present perspective, rather than the future one.

5.2.3. Risk (Management) Disclosure as Outcome

There are 10 papers that investigate, study and compare the outcome of risk management process.

Meier et al. (1995) focused on practices of political risk evaluation and disclosure, with a case in point about Gulf War. Results indicate that disclosure requirements for multinational corporations appear to be insufficient in assessing general environmental uncertainties. In addition, they found minimal war-related disclosure in consolidated financial statements accompanied by total absence of segmental disclosure.

Marshall and Weetman (2002) studied information asymmetry comparing ex post the explicit disclosure of information in the annual report of UK and US companies with prior questionnaire responses from the same firms. Evidence shows, in both the US and the UK, managers do not disclose full information and point to an implication for policy makers in that expressing disclosure requirements in general terms might not achieve sufficient detail to match the spirit of the regulators' intentions.

Othman and Ameer (2009) investigated the level of compliance with FRS132 of Malaysian firms and found that a large number of companies have shown compliance in relation to disclosing the financial risk management policy. However, there are systematic differences across companies in terms of level of details (i.e. qualitative and quantitative) disclosure; in addition, they found evidence that most

Malaysian firms did not disclose any type of market risk over the period of 2006-2007.

Amran et al. (2009) explored the availability of risk disclosure in the annual reports of Malaysian firms. Results show that the majority of the firms decided for this study to disclose their risk information in the chairman's statement, in compliance with the ruling of the Bursa Malaysia. The amount of sentences dedicated for discussion of risk information is lower than that with prior studies. They stated that firm size does matter with risk disclosure and they proved significance by the regression analysis.

Dobler et al. (2011) analyzed the attributes and the quantity of risk disclosure and its association with the level of firm risk. They found a consistent pattern where risk disclosure is most prevalent in management reports, with a cross-country study that show US firms dominating in terms of risk disclosure quantity. Results evidence that risk disclosure quantity appears to be positively associated with proxies of firm risk in the North American settings.

Also Savvides and Savvidou (2012) used cross-country analysis to investigate if differences exist across country. They studied the disclosure practices of market risk and showed that there were significant differences across banks in different countries. In addition, results indicate that Anglo-Saxon banks are better in their overall risk reporting practices.

Maingot, Quon and Zéghal (2012) first examined the effect of the 2008 financial crisis on the disclosures of ERM information by Canadian companies, in particular the number and the level of risk disclosures. They identified that the total number of risk disclosures increased by 3.6% from 2007 to 2008 and the level of risk increased.

Maingot, Quon and Zéghal (2018) examined the impact of the 2008 financial crisis on enterprise risk management (ERM) disclosures in US and Canadian financial companies. They found that the number of risk disclosures enhanced only slight from 2007 to 2008, with some differences between US and Canadian firms. The only change for US companies was a higher risk consequences report from 2007 to 2008, examining risk exposure, risk consequences and risk management. Furthermore, the US financial sector firms disclosed higher levels of risk exposure, but managed these risks more passively. On the other hand, Canadian companies

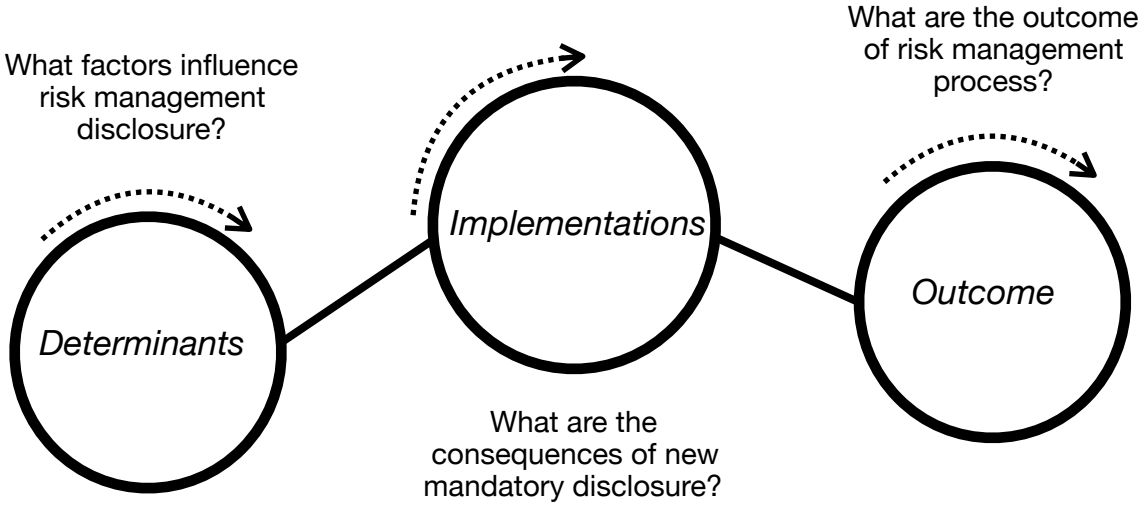
reported higher levels of risk exposure and risk consequences only for liquidity risk, reporting higher levels of risk consequences and managed them more actively.
Shivaani et al. (2019) also developed a risk disclosure index to assess both quality and quantity of risk disclosures. They found that the average risk index is low, but higher in the post-recession period than in the pre-recession period. In addition, most disclosure are qualitative and middle-aged companies tend to make significantly better disclosures than old companies. In the end, the ICT industry outperforms other industry for quality of disclosure.

5.2.4. Risk Management Disclosure Process

In this literature review, only one paper investigates risk management process. Moloi (2017) examined the risk management process in South Africa's public institutions by measuring the Chief Risk Officers (CROs) views with a questionnaire. Findings show that there are some public institutions where the Accounting Officer does not include the undertaking in the annual report that the risks are actively managed. In public institutions, Accounting Officers are guardians of risk and therefore, their incompetence to make an undertaking that risks are intensively managed leave unanswered questions such as whether they have uneasiness with disclosing such information to the public or perhaps whether they have total perception of their responsibilities when it comes to risk. A similar model was also observed on the information relating to the disclosure of risks in the annual reports. In addition, results show that a significant number of public institutions may not have identified the right risks or developed the right controls or perhaps that risks are not assessed on an ongoing basis. There are also some institutions that do not conduct strategic risk assessments or not formulated risk management policies, frameworks, procedures and practices.

Based on the review and analysis, these researches are grouped by main topics as consecutive risk management disclosure process steps. These steps can be represented graphically as follow. (Fig. XII)

Fig. XII - Risk management disclosure process



6. Research Gaps

After careful review of the literature it emerges that risk disclosure determinants has the most attention from the researchers over the investigated period. In these studies it is also explored risk management disclosure as outcome. Very few studies were based on the the risk disclosure implementation in terms of risk disclosure process, which is only studied in one paper. However, a general overview on the risk management disclosure process is missing.

From the review of previous studies, I have identified the following gaps:

First, the authors were mostly conducted research about the effect of board member and top managers characteristics, as board independence and the size of the board of directors (Al-Maghzom, 2016, Vincent et al., 2017, Nahar et al., 2016, Hemrit, 2018) on risk disclosure practices. Thus, rather than identifying only corporate governance "characteristics" and their effects on risk disclosure, there is still a relevant on the understanding of the board "role" as from the corporate governance report.

Second, it can be observed from the review that no one study deals with "who" is in charge of writing the corporate governance report. This will help to get a broader picture of the risk disclosure process of the companies.

Third, many studies found that companies and managers do not disclose full information (Marshall and Weetman, 2002) and there are marked differences throughout companies in terms of level of details (Othman and Ameer, 2009). Furthermore, prior studies mostly investigated the repercussions of the introduction of mandatory disclosure and the level of compliance with new regulations (e.g. Thuélin et al.,2006, Greco, 2012, Bucky et al., 2015, Mandzila & Zéghal, 2016, Togok et al., 2016, Kakanda et al., 2017, Al-Smadi, 2019, Leopizzi et al., 2020. As seen in the results, research consider mostly the compliance with regulations and its results in the firm reports, but little is know about which are the main reasons driving many companies adopting an ERM process to not voluntarily disclose about it. Moreover, it can be interesting to highlight what are companies concerns about providing risk management disclosure, asking directly to people involved in risk management process.

Fourth, prior studies investigated determinants that influence risk management disclosure. In particular, many studies examined whether there is a significant association between risk disclosures characteristics and company characteristics (i.e. company size, country, management ownership, type of auditor, asset size and net income). Please see Lajili and Zeghal (2005), Linsley and Shrives (2006), Marshall and Weetman (2007), Probohudono et al. (2013), Elkelish and Hassan (2014), Rodríguez Domínguez and Noguera Gámez (2014), Samanta and Dugal (2016). However, little is known about factors considered and used to determined the nature of information that is disclosed. In addition, from the review, it was found that the authors mostly conducted content analysis and multiple regression analysis. For these reasons, it can be interesting to study which factors are examined by companies to define the extent of information disclosed, how the extent of information change over time and what factors led to those changes. Furthermore, researchers can apply language based analysis, such as interviews or questionnaire to assess companies thinking.

Fifth, over the last ten years, the numbers of research on risk disclosure management increases significantly, as seen in figure I. This means that also the importance of risk management disclosure enhances. That is why it would be important to investigate how the companies view the importance of internal control and risk management disclosure and whether they consider them an important communication tool for key stakeholders or not.

Finally, none of the reviewed articles made an attempt to look into the advantages and the disadvantages in disclosing more information on the risk management process. This can also considerate a key research gap having also material practical implications.

7. New Insights for an Empirical Analysis

Following the gaps emerging from the literature review, the current research decides to dig deeper into the gap about how the risk management disclosure process empirically works. Specifically, attempting to answer at the following research questions:

RQ1. What is the role of the board into the Corporate Governance report final writing?

RQ2. Who is in charge of writing the Corporate Governance report in the firm? How many people are involved in this process? How long does the disclosure process take?

RQ3. Which are the main reasons driving many companies that adopt an Enterprise Risk Management process to not voluntarily disclose about it? What concerns does the firm have when determining the nature and extent of information to be included in the internal control and risk management section?

RQ4. What factors are considered and used to determine the nature and the extent of information that is disclosed? How has the nature and extent of information included in the CG report changed over time? What factors led to those changes?

RQ5. How does your organization view the relative importance of the internal control and risk management disclosures in the CG report? To what extent does the organization view it as an important communication tool for key stakeholders? To what extent does the organization see this disclosure as being valuable or not valuable?

RQ6. What advantages and disadvantages do the firms see in disclosing more information on the risk management process?

8. Sample and Methodology

To address the research questions I decided to explore how the nature and extent of the content about risk management is included into the Corporate Governance reports of Italian listed companies.

The population of this study includes fifteen Italian listed companies. The sample of the research consists of the organizations that have met the following conditions: (i) the firm should be listed in the Italian Stock Exchange during the period of the study, (ii) availability of doing an interview to investigate organizations' opinions about risk management, (iii) respondents organizations to a survey in a research on potential variation between private and public disclosure on Enterprise Risk Management (Panfilo, 2019).

To ensure the sample homogeneity, it is selected companies from both financial and no-financial industry. The profile of the sample is presented in Table IV.

Table IV- Sample companies' profile

Industry sector	Number of companies	% of sample
Manufactoring	6	40
Financial services	3	20
Utilities	3	20
Pharmaceutical	1	6,67
Food and beverage	1	6,67
Building materials	1	6,67
Total	15	100

Data are collected in 2015, after the Code of self-disciplines updates, and validated in 2020 after a new update in 2018, considering that regulatory changes have not affected internal control and risk management system section.

To comprehensively address the research questions, it is used the telephonic qualitative interviews method, in which research participants are managers involve into the risk management process in their companies.

It is preferred telephone interviews to face-to-face interviews for the following reasons: (i) research participants are experienced in using the telephone as part of their day-today work; therefore, they are comfortable using the telephone to communicate to people they had not meet in person (Farooq and De Villier, 2017); (ii) telephone interviews is the lowering of time and cost (Sturges and Hanrahan, 2004; Stephens, 2007); (iii) telephone interviews give the chance to cover a larger number of interviews, even in dispersed locations; (iv) a telephone interview has a psychological advantage because it permits the interviewee to consult confidential documents in the course of the interview without the presence of the interviewer; (v) this study not necessitate collecting contextual data (e.g. interviewees data and their characteristics, company offices and common areas aspect in the organizations).

Researchers need to negotiate the time allocated to the interview with managers. (Farooq and De Villier, 2017). Thus, interview time was scheduling 30 minutes and, on average, interviews lasted 26 minutes.

A brief introductory script to explain the purpose of the research and a semi-structured interview schedule was developed. A structured interview schedule has been used as an overall guide, so as not to stop the natural flow of the interview process. In the beginning of the conversations, interviewees are asked about their role in the company. The description of respondents role in their company with the frequency and percentage in detail are summarized in Table V.

Table V - Interviewees role in the company

Interviewees role	Number of intervewees	% of sample
Internal auditor	5	33,3
CFO	3	20
Head of ERM	2	13,3
Risk strategy and capital adequacy manager	1	6,7
Corporate service - contracts management	1	6,7
General affair director	1	6,7
Risk management director	1	6,7
Corporate affairs	1	6,7
Total	15	100

Interviews has been recorded (after gaining respondents consent to serve as a backup and support) and transcribed in Italian and their content has been subsequently analysed. The questions asked during the interview to achieve the aim of the study are the following:

1. *What is the role of the board into the CG report final writing?*
2. *Who is in charge of writing the CG report? Specifically, the section related to the internal control and risk management system? How many people are involved in this process? How long does the disclosure process take?*
3. *According to you, which are the main reasons driving many companies that adopt an ERM process to not voluntarily disclose about it?*
4. *What concerns do you have when determining the nature and extent of information to be included in the internal control and risk management section?*
5. *What factors are considered and used to determine the nature and amount of information that is disclosed?*
6. *For what in your concern, according to which criteria the voluntary information to disclose in the CG report are selected?*
7. *How has the nature and extent of information included in the CG report changed over time? What factors led to those changes?*

8. *How does your organization view the relative importance of the internal control and risk management disclosures in the CG report? To what extent do you view it as an important communication tool for key stakeholders? To what extent do you see this disclosure as being valuable or not valuable? What concerns do you have about providing these disclosures? What is the role attributed to public disclosure? (Is it seen as a key relationship tool with shareholders? Has it the main reputational role? Is it considered a "dangerous" tool according to the competitive perspective?)*
9. *What advantages do you see in disclosing more information on the risk management process? What disadvantages do you see in disclosing more information?*

In the analysis step, it is created an excel file with the most significant phrases of each questions. Afterwards, the excel file has been translated into English. The data collected has identified similar ideas and relationship among the answers, as described in the following paragraph.

9. Results and Analysis

9.1. The Role of the Board

Most of interviewees (i.e. 7) refer that the board in their organization has an approval role of the corporate governance report, after a review phase for some companies.

*"It **approves** corporate governance report." (Internal auditor, no. 1)*

*"The board gives **approval**." (Internal auditor, no. 4)*
*"The board gives **approval**." (Corporate service - contracts management, no. 5)*

*"**Approval** (role) of the whole package, steering effect." (Head of ERM, no. 6 firm)*

*"Review and **approval** role." (CFO, no. 7)*

*"**Approval** role, just a formal step." (Internal auditor, no. 11)*

*"It **approves** the report." (Corporate affairs, no. 15)*

Four respondents affirm that, in some organization, the board examines the report prepared by the people in charge and, if needed, makes notes and comments. Sometimes, it may modify the draft before the final approval.

*"It analyzes the draft prepared by the interior, carries out its own considerations and, if necessary, **modifies and integrates** this draft. Then, it approves it." (CFO, no. 8)*

*"Approval and responsibility (role). It Acknowledges, **comments** and may make changes." (General Affair Director, no. 10)*

*"It reads and then eventually **make comments**." (Internal Auditor, no. 12)*

*"It examines, suggests changes and then **takes note** of them." (Risk management director, no. 13)*

Other people interviewed declare that the board has a more active and participatory role. In these companies, the board mandates the manager responsible to draft and gives *ex-ante* direction and indication of the strategy; therefore, it has a definition role. At the end of the process, the board assesses and monitors the consistency of the results with the strategy given initially.

*"It mandates the CRO to draft, it has a role of **direction and indication of the strategy**. In addition, ex-ante definition and positioning, monitoring in the continuous information." (Risk strategy and capital adequacy manager, no. 2)*

*"It reads the report (three members and the president) to verify **consistency with strategies**. Ultimately responsible, it approves and provides strategic direction." (Internal auditor, no. 3)*

Finally, some interviewees assert that the board in their company has a supervisory and less active role. In these cases, it seems that the board gives little importance to the risk management disclosure into CG report.

*"They look at it (the draft) very carelessly. **Supervision** (approval and supervision)." (CFO, no. 9)*

*"Non-direct intervention. Vice-president, as a member of the Board of Directors and Chairman of the Control and Risk Committee, has all the conditions to be able to contribute or partecipate in the **supervision** of the document." (ERM manager, no. 14)*

Results are described in Table VI.

Table VI - The role of the board

Role of the board	Frequency	% of sample
Approval role	7	46,7
Modifying and making notes	4	26,7
Direction and indication of strategy role	2	13,3
Supervision role	2	13,3
Total	15	100

9.2. People in Charge of Writing the CG Report and Time Process

Regarding the drafting process and its characteristics: on the one hand, the majority of people interviewed (i.e. 6 out 15) affirm that internal audit components are in charge of writing the Corporate Governance report. Also in this case, internal auditors collaborate with manager of other business area (e.g. corporate secretary lawyer, control and risk committee, corporate affairs).

*"Corporate secretary lawyer, **internal auditor**"* (Internal auditor, no. 3)

*"A colleague who deals with budgets helps me in the drafting process. (Also the) administration and legal affairs department, **internal auditor**, control and risk committee, legal affair in particular." (Internal auditor, no. 4)*

*"Risk management, in particular, **internal control** and risk management section, with internal audit collaboration." (Head of ERM, no. 6)*

*"**Internal audit manager** that involves other relevant actors." (CFO, no. 7)*

*"Responsible is the administrator in charge of the **internal control** and risk management system, with the support of the various internal functions." (CFO, no. 8)*

*"**Internal audit** and compliance, […] Internal audit, a couple of people, corporate affairs colleagues and also a person of the ERM." (Internal auditor, no. 11)*

On the other hand, some respondents (i.e. 3 out 15) declare that legal affair department is involved in the Corporate Governance report process with other colleagues from other business areas, like corporate affairs office, independent auditors office, foreign relation office.

*"Manager responsible for drawing up accounting documents, (with) **legal departments**, corporate affairs office, independent auditors, foreign relations office." (Internal auditor, no.1)*

*"Solicitations and any requests for processing are received, from the point of view of operational management, by the company's **legal department**. For the drafting, the corporate lawyer, the ERM, finance and control management with the manager in charge." (Internal auditor, no. 2)*

*"Me, the **legal director**, the administrative director, and then all the individual administrators." (Internal auditor, no. 12)*

Furthermore, two interviewees affirm that the person in charge of writing the Corporate Governance report in their firm is the Chief Financial Officer (CFO) in collaboration with other colleagues.

*"**I make it** and the internal audit manager." (**CFO**, no. 9)*

*"**CFO** with the support of various corporate areas, in particular the top management." (General Affair Director, no. 10)*

Finally, some respondents say that Corporate Governance report is written by different business areas compared to the previous, like Corporate Affairs, Control of Financial reporting, Corporate Service department, Control and Risk Committee.

Just in one case, in a bank organization, the person in charge of writing the Corporate Governance report is the Chief Restructuring Officer.

*"**CRO** (Chief Restructuring Officer)." (Risk strategy and capital adequacy manager, no. 2)*

*"**Corporate service department**, (the report) also passes through the Control and Risk Committee throughout the year" (Corporate service - contracts management, no. 5)*

*"The company coordinates the report and then **each business area** contributes for its part and we (risk management office) for the risk management part. (Consequently) A lot of people, because basically every business area contributes." (Risk management director, no. 13)*

*"**Corporate Affairs**, in collaboration with Internal Audit and Monitoring and Control of Financial Reporting." (Corporate affairs, no. 15)*

Detailed results described per organization industry are summarized in Table VII.

Table VII - Person in charge of writing CG report per organization industry

Industry	*Person in charge of writing CG report*					
Manufacturing	Internal Auditor	Internal Auditor	Chief Financial Officer	Chief Financial Officer	Corporate service department	Legal department
Bank	Chief Restructuring Officer	Internal Auditor	Corporate Affairs			
Utilities	Internal Auditor	Each business area	Legal department			
Building materials	Internal Auditor					
Food and Beverage	Internal Auditor					
Pharmaceutical	Legal department					

Regarding the number of people involved in the drafting process, most of the respondents have given precise answers, indicating the exact number of people.

“Seven people” (Internal auditor, no. 1)

“Two people” (Internal auditor, no. 3)

"*Six people” (Head of ERM, no. 6)*

"*Six people” (CFO, no. 7)*

“Two people” (CFO, no. 9)

“Four/five people” (Internal auditor, no. 11)

“Two/three people about risk management part” (Risk management director, no. 13)

“About four people” (Corporate affair, no. 15)

Thus on average the number of people involved are about 4 in each company. Others have answered in an unclear manner, someone including both people in the whole process and in the drafting process, someone else have specified the number of people involved only for a specific area.

“Two people, in general about twenty people collect data.” (Internal auditor, no. 3)

“Chief Financial Officer with the support of various corporate areas, in particular the top management.” (without indicating the exact number). (General Affair Director, no. 10)

“I can’t tell you a precise number of people, but a lot of people.” (Risk management director, no. 13)

With regard to the time of disclosure process, respondents have given different answers. Some interviewees (i.e. 3) affirm that the disclosure process is a very short process for just a few days in their organization.

*"**One/two days** not more." (Internal auditor, no. 4)*

*"For the drafting of the section, I would say **one day**." (CFO, no. 9)*

*"**Three/four days**." (Internal auditor, no. 12)*

Other respondents (i.e. 3) declare that the disclosure process takes a longer period of several weeks.

*"For about **a month**, but not a calendar month." (Internal auditor, no. 1)*

*"Three weeks/**a month**." (Risk strategy and capital adequacy manager, no. 2)*

*"About **three weeks**."* (CFO, no. 7)

The majority of people interviewed (i.e. 5) affirm that the disclosure process takes a period of time between one and three months.

*"**A month and a half**." (Head of ERM, no. 6)*

*"Continuous process, **a couple of months** before the assembly." (General Affair Director, no. 10)*

*"**A couple of months**." (Internal auditor, no. 11)*

*"A month, **a month and a half**." (Risk management director, no. 13)*

*"About **a month and a half**." (Corporate affairs, no. 15)*

Finally, three respondents say that the disclosure process takes more than three months. Just in one case the interviewee has not given the information about disclosure process time.

*"The process is not done constantly so I would say about **three months**." (Internal auditor, no. 3)*

*"Throughout the year, in march the draft is ready (**fifteen months**)." (Corporate service - contracts management, no. 5)*

*"From September October of the same year […] and a deadline is set around mid-February." (**four/five months**). (ERM manager, no. 14)*

Overall, most of the organization dedicates more than one month to the drafting process of Corporate Governance report, showing that it is a quite long process to which companies dedicate a lot of time and resources. Results are summarized in the following table.

Table VIII - Time process

Process duration	Number of companies	% of sample
Days	3	20
Weeks	3	20
Less than three months	5	33,33
More than three months	3	20
Not specified	1	6,67
Total	15	100

9.3. The Reasons for not Disclosing Risk Management Information and Companies Concerns

It is then explored why many companies not voluntarily disclose about the ERM process adopted in their organization.

Most of people interviewed (i.e. 6) attribute the reason for not giving information on ERM process to firm characteristics, like the company size, corporate culture and the ERM process maturity. They affirm that small companies have less information to publish in the report and less resources and people to dedicate to this activities. In addition, interviewees refer that this is a low-profit business area, in which firms do not make investment.

"It's difficult for me to answer this question, I see no reasons not to publish. […] (Maybe) ***Poor corporate culture****." (Internal auditor, no. 1)*

"Disclosure implies many people and time. It's a business area where results in term of ***profitability are low****." (Risk strategy and capital adequacy manager, no. 2)*

*"****Process maturity****: ERM is a relatively recent process." (CFO, no. 8)*

"It also depends a lot to the ***company size****. […] I guess it's different for big companies that have more relevant environmental or financial issues. They may also be more attentive to a disclosure on risk management." (CFO, no. 9)*

"Smaller companies have a ***less structured process****, so they have less to say in the report. More structured companies have the opportunity to devote more resources, more people." (Internal auditor, no. 11)*

"I don't know that […] It depends on the ***industry*** *and also on the* ***company size****." (Internal auditor, no. 12)*

Some people interviewed (i.e. 4) report doubts about the real ERM process implemented in companies that not communicate it. In other words, they assume that some companies try to hide some discrepancy between what they disclose and what they carry out in risk disclosure process.

"Not everyone who claims to have an internal ERM or ERM department technically does the same thing inside the enterprise. This ***lack of homogeneity*** *(between*

functions within the company) in the approaches I think is the reason why they do not give great disclosure." (Head of ERM, no.6)

*"An adoption of the **ERM more formal than substantial**, so you do not want to clearly reveal such discrasia." (CFO, no. 8)*

*"I don't understand the reasons to not want to communicate it. You have to see whether **it's really the process** (of ERM)." (General Affair Director, no. 10)*

*"There is a **difference** between what is **actually done** and what may be **compliance** with the code in terms of regulation. I have no idea." (Risk management director, no. 13)*

Some interviewees declare that it's a competitive problem. On the one hand, companies may have concerns about exposing their weaknesses to the competitor and think about disclosure process as a strategic tools; therefore, they prefer disclose as little as possible.

*"I don't know. […] A **competitive problem**. Management process is perceived as a strategic factor." (Corporate service - contracts management, no. 5)*

*"To not **expose potential criticality**." (CFO, no. 7)*

*"The strong correlation between integrated risk management and strategic planning could lead to provide to the market **sensitive strategic factors**." (Corporate affairs, no. 15)*

On the other hand, one respondent thinks that it is not a competitive reason. However, he thinks that it is not necessary and useful to disclose further information because the market is already full of information.

*"I would say no for competitive reasons. Not to indicate a lot of information in which then the reader gets lost. Boiler plate I say. The market is already **saturated of***

***information**, so what could be the use of knowing this further information?" (Internal auditor, no. 4)*

Finally, other respondents think that it is simply a mandatory process, which must be implemented and therefore it is realized due to an external force that forces companies to give communication.

*"We **just have to** implement it." (Internal auditor, no. 3)*

*"A kind of **inertial approach**, that is, as the discipline requires to represent a certain type of information in a clearer, more explicit and perhaps more structured way, then at that point we adapt; but because there is an external urge to do certain things." (ERM manager, no. 14)*

Overall, it can be said that company characteristics (e.g. company size and corporate culture) and the competitive concerns are the main reasons driving many companies that adopt an Enterprise Risk Management process to not voluntarily disclose about it. Results are described in Table IX.

Table IX - Reasons for not giving information

Reasons	Frequency	% of sample
Firm characteristics	6	40
Hiding something	4	27
Competitive problems	3	20
Not necessary	1	6,67
Mandatory process	1	6,67
Total	15	100

Consequently, it is investigated the concerns that the firm have when determining the nature and extent of information to be included in the internal control and risk management section. The answers are divided between those who declare to have no concerns and those who say they have concerns about information disclosed.

The majority of people interviewed (i.e. 8) affirm that they have no competitive fears and they try to be as much transparent as possible.

*"Concerns has **never been expressed**." (Internal auditor, no. 1)*

*"**No**, communicate well is something safe for the organization." (Risk strategy and capital adequacy manager, no. 2)*

"*There are **no particular concerns**." (Internal auditor, no. 3)*
*"It is not considered a **dangerous information**." (Corporate service - contracts management, no. 5)*

*"**No concerns**, because there is no company that has no risks." (General Affair Director, no. 10)*

*"We have **no competitive fears**." (Internal auditor, no. 11)*

*"**No, no**…it is given extensive disclosure about everything being done." (Risk management director, no. 13)*

*"There are **no particular concerns**." (Corporate affairs, no. 15)*

Other interviewees (i.e. 5) say that they have different concerns, like making public their weaknesses and giving diverging information within the same group. Others think about competitive fears and see information included in the internal control and risk management section as a dangerous tool, also due to the fact that to the competitors may are not required the same information.

*"The only real concern is to give **different information** to companies in the same working group. Both in terms of detail and also in terms of description of governance. Surely ensuring consistency is an important part." (Head of ERM, no. 6)*

*"**Making public any weaknesses**. For competitive purpose it can be dangerous to the extent that competitors are not required to symmetrical disclosure." (CFO, no. 7)*

*"Internal business processes should not be known to competitors. "**Dangerous" for competitive purposes**, if it is not treated in very general terms." (CFO, no. 8)*

*"There is a deeper analysis of the critical issues that we should be extremely wary of communicating, for **competitive purposes**." (CFO, no. 9)*

*"The ability to read certain information may not be fully perceptible. Particularly articulated elements can be **not clearly perceived and read**. Yes (it is a dangerous tool for competitive purposes)." (ERM manager, no. 14)*

Finally, two people interviewed have not declared their opinion about their companies concerns in disclosing information.
Table X provides a summary of the companies concerns described above.

Table X - Companies concerns about disclosing information

Concerns	Frequency	% of sample
No concerns	8	53,33
Revealing critical information	5	33,33
Not expressed	2	13,33
Total	15	100

9.4. Factors Determining Changes in Disclosure and their Motivations

Regarding the factors considered and used to determine the nature and the extent of information that is disclosed, most of the people interviewed (i.e. 12) declare that it depends on normative factors.

*"**Legislation** is decisive (as a minimum) then it also depends on the CRO and what informative he wants to give." (Risk strategy and capital adequacy manager, no. 2)*

"We considered the Code of self-discipline without giving more details" (Internal auditor, no. 3)

*In the report, we are very focused on the structure, we follow **Coso**, **code of self-discipline**, **law** number 262 and 231 indications." (Internal auditor, no. 4)*

*"We refer to the **format of Borsa Italiana** and to the **code of self-discipline**." (Corporate service - contracts management, no. 5)*

*"New **regulations** come into force, for example IVASS 22." (Head of ERM, no. 6)*

*"Comparison with **guidelines** and best practices." (CFO, no. 7)*

*"The **format of Borsa Italiana** as reference point." (CFO, no. 8)*

*"The **format of the corporate governance committee**." (CFO. no. 9)*

*"We follow **Assonime, Borsa Italiana and Consob** indications." (General Affair Director, no. 10)*

*"We have decided to adopt the traditional model of Corporate governance and the **code of self-discipline**. We adopt **Coso framework**." (Internal auditor, no. 11)*

*"We give maximum disclosure of everything that is carried out in corporate governance. We adopt the **COSO report** and **ISO 31000**." (Risk management director, no. 13)*

*"Format made available by **Borsa Italiana** and **regulations** (various)." (Corporate affairs, no. 15)*

Some interviewees (i.e. 3) affirm that the determinant factor in their company is the description of the process and activities implemented and recorded, also based on managements interviews.

*"Process made by dynamic and quantitative **activitie**s (financial statements), managements **interviews**." (Internal auditor, no. 1)*

*"We tend to be transparent, so we communicate everything that is recorded in the various **minutes of the Board of Directors, the Board of Statutory Auditors** but also the Control and Risk Committee and the supervisory model." (Internal auditor, no. 12)*

*"We try to explain the structure of the process. It is a **description of process**, of sessions carried out, of activities organization." (ERM manager, no. 14)*

As regard the internal control and risk management section, most of the interviewees have expressed their opinion about the factors considered to decide the information included in this section. However, six of them have not clearly expressed their thought.
On the one hand, some people interviewed (i,e. 4) affirm that regulations and normative frameworks are the determinant factors in the internal control and risk management section.

*"New **regulation** from code of self-discipline." (Internal auditor, no. 1)*

*"Other **frameworks** for other types of information such as internal auditing or internal control administration are reported." (Corporate service - contracts management, no. 5)*

*"Compliance with the **new stock exchange format**, when we are not (complaint), we write and explain why." (Internal auditor, no. 12)*

*"**Format** made available by Borsa Italiana and the content of internal **regulations**." (Corporate affairs, no. 15)*

On the other hand, detailing the risk process and what carried out throughout the year are determinant factors for three people interviewed.

*"The **process** followed to identify risks, their management and subsequent control activities." (CFO, no. 8)*

*"We have **described** in a broad way in the report **all the information** and the control and risk system." (General affair director, no. 10)*

*"In addition to detailing how the **process** is structured we also give evidence of what **emerged during the year.** Risk management process, how it is structured and what are the main risks that management highlights." (Internal auditor, no. 11)*

Finally, some interviewees (i.e. 2) say that the extent of information on the internal control and risk management section depends on company characteristics and how the organization decides to disclose risks.

*"Level of external communication, **corporate culture**, how a thing becomes a **common asset of the company**." (Risk strategy and capital adequacy manager, no. 2)*

*"**Maximum transparency** combined with the **materiality of information**, that is weighting impact and probability/ frequency. The risks disclosed are only those for which the product between impact and probability is higher." (CFO, no. 7)*

Table XI - Factors determining the information disclose

Factors	Frequency	% of sample
Information disclose in general		
Normative factors	12	80
Description of the process	3	20,0
Total	15	100
Information disclose in the internal control and risk management section		
Not expressed	6	40
Normative factors	4	26,67
Description of the process	3	20
Company characteristics and decisions	2	13,33
Total	15	100

With regard to changes of information included in the CG report, interviewees can be divided into two large groups.

On the one hand, those who say that they modify the information included in the CG report as a result of normative factors but also as a consequences of new requirements from the parent company and new internal activities implemented throughout the year (i.e. 8).

*"In 2016. […] We received **changes of code of self-discipline** in 2015. […] Due to german **subsidiary company** that adopted a different risk management process." (Internal auditor, no. 4)"*

*"A few years ago for greater awareness of what the process is. Now, that the report is more or less steady, there are no much changes from one year to another. No for changes in legislation, but from **changes in the parent company** that maybe asks to give more focus on one thing than another." (Head of ERM, no. 6)*

*"**Evolution of guidelines**, organizational evolutions, benchmark changes." (CFO, no. 7)*

*"As a consequences of the **evolution of internal activities** carried out." (CFO, no. 8)*

*"Half-yearly updates depending on **emerging events**." (Internal auditor, no. 11)*

*"**Evolution of the risk management process** implemented in the company." (Risk management director, no. 13)*

*"We fell the need. We were also very driven by the **code of self-discipline**." (ERM manager, no. 14)*

*"As a consequences of **suggestions made by the Corporate Governance Committee**, the progressive structuring of a complete system of internal controls within the Bank, as well as the **evolution of the legislation**. Comparison with other issuers, from the activity of Assonime, reflections spread by Ambrosetti are also considered." (Corporate Affairs, no. 15)*

On the other hand, those who affirm that their organization has changed the nature and extent of published details as a consequences of new (mandatory or not) requirements, updates and new version of various frameworks and codes (i.e. 7). Many people interviewed declare that they modify the risk disclosure process and the information included in it in the last few years.

*"In 2000, in 2005, for **compliance reasons**." (Internal auditor, no. 1)*

*"Last two years, for **compliance reasons**." (Risk strategy and capital adequacy manager, no. 2)*

*"**Code of self- discipline updates**." (Internal auditor, no. 3)*

*"Evolutionary change arise from **changes to the code**." (Corporate service - contracts management, no. 5)*

*"**Regulatory changes**." (CFO, no. 9)*

*"Result of the continuous process and of the **regulations** that push more and more on transparency factor." (General Affair Director, no. 10)*

*"New format and the new version of the code. Mainly **normative factors**." (Internal auditor, no. 12)*

A summary is shown in Table XII.

Table XII - Factors determining changes

Factors	Frequency	% of sample
Evolution in internal activities and in the corporate group	8	53,33
New requirements	7	46,67
Total	15	100

9.5. Importance of Internal Control and Risk Management Disclosure

Most of interviewees (i.e. 8) declare that the internal control and risk management disclosure in the CG report is absolutely relevant and important to their organizations. Those say that it's a value process and an important key tool, also in terms of reputation.

*"Absolutely **central**. Communicate well is also a competitive factor." (Risk strategy and capital adequacy manager, no. 1)*

*It's a **value process**. It's a **key tool**. It's an important reputational tool in terms of transparency." (Internal auditor, no. 3)*

*"Surely, it is **very important**; now (with new regulation) it will become even much more." (Head od ERM, no. 6)*

*"We consider **important** the information on risk management, but prefer to give informative substance within the annual report." (CFO, no. 7)*

*"It is **certainly an added value**, every information that the company gives to the market is value." (General Affair Director, no. 10)*

*"Absolutely yes (important), **absolutely relevant**." (Risk management director, no. 13)*

*"It is certainly **very important** for our society to communicate outside. It is a document meditated precisely because it has its relevance and its importance." (ERM manager, no. 14)*

*"It's as **important** as the other information requested by Borsa Italiana format for the preparation of the report." (Corporate Affairs, no. 15)*

Other respondents affirm that they have a neutral approach to the internal control and risk management disclosure in the CG report and they consider it as a compliance process, therefore they limited themselves to disclose what is required by the regulations. However, a person interviewed says that his organization goes beyond compliance.

*"**Neutral approach**, we describe control system elements within a certain level of detail." (Internal auditor, no. 1)*

*"The communication on this part is **not perceived as critical**, it is drawn up like other parts. It is considered neither relevant nor a problem. We merely communicate what is required by the code." (Corporate service - contracts management, no. 5)*

*"Providing all **information that is permitted** or should be provided." (CFO, no. 8)*

*"**Very marginal**." (CFO, no. 9)*

*"There's a lot of discretion, **the less you say the better**. It's okay to say things as they are, but without, in short, abounding in details. We pay much more attention to audits and compliance activities than to the effectiveness and efficiency of operations." (Internal auditor, no. 12)*

Finally, two people interviewed have not explicitly expressed their opinion about the importance of the internal control and risk management disclosure in the CG report. Regarding the internal control and risk management disclosure in the CG report as an important communication tool for key stakeholders, some respondents think that it's a significant tool and highly appreciated from stakeholder.

*"Useful and complete information that **must be provide** to the stakeholder." (Internal auditor, no. 1)*

*"**Reduction of information asymmetry** is crucial." (Risk strategy and capital adequacy manager, no. 2)*

*"There is a certain recognition of the **importance of external disclosur**e, although it is not sophisticated." (Internal auditor, no. 4)*

*"It's **important and highly appreciated**". (CFO, no. 7)*

*"About corporate governance the consideration is high, **absolutely important**." (Risk management director, no. 13)*

*"It is **important** not only for shareholders but also for stakeholders in general […] to have an impact that we feel and hope positive on the overall reputation of the company." (ERM manager, no. 14)*

*"It is part of the overall process of communication to stakeholders, in a logic of **coherence with** the contents of **other communication tools**". (Corporate Affairs, no. 15)*

Other people respondent affirm that, in their opinion, some information is not valuable and has not an effect on stakeholder, who are not interested in the internal control and risk management disclosure.

*"Communication process **must not be detailed** […] It will not miss to the good reader that a wide information is available reading all documents." (Internal auditor, no. 3)*

*"**No information** are considered to have an impact on stakeholder." (Corporate service - contracts management, no. 5)*

*"The way the report is structured, it is **not of particular value**." (CFO, no. 8)*

*"It is a mandatory disclosure to provide information; from the point of view of the readers of our report, I think it is **no interest at all**. There is never anyone who has asked me a question or a deepening on this topic." (CFO, no. 9)*

Two interviewees declare that they are not sure whether the internal control and risk management disclosure in the CG report is really appreciated and understood by stakeholder.

*"I'm **not sure it's perceived** by the stakeholders. But for investors I think it is." (Internal auditor, no. 12)*

*"Guideline is completeness and transparency of information disclosed toward shareholders. We **cannot issue information** that creates information asymmetry. Shareholder's side is difficult to measure if information is valued by the market." (General Affair Director, no. 10)*

Finally, two people interviewed have not clearly expressed their opinion about the importance of the internal control and risk management disclosure as an important tool for stakeholder.
Results are shown in the following table.

Table XIII - Importance of disclosure as a key tool for stakeholder

Importance	Frequency	% of sample
Important communication tool	7	46,67
No valuable communication tool	4	26,67
Not appreciated tool	2	13,33
Not expressed	2	13,33
Total	15	100

As regard to what extent the organization see this disclosure as being valuable or not valuable, it is investigated the role of the disclosure and the thought of the respondents about it.
Some respondents (i.e. 4) affirm that the disclosure has an important and essential role, especially in relation to the activity carried out by organizations. In other words, this disclosure is considered a key tool, also with regard to the stakeholder.

*"For us it is also **important**, as regard to the type of activity we perform." (Internal auditor, no. 4)*

*"It is **essential a wide disclosure**, for a correct relationship with all stakeholders." (CFO, no. 7)*

*"It is an **important toll**. Not only with a reputational role, but also a concrete one on several aspects." (Risk management director, no. 13)*

*"A **fundamental role**. Effective disclosure is seen by the organization primarily as a key instrument of shareholder relations. The firm refers to information sharing as a key role in the relationship with customers." (Corporate affairs, no. 15)*

Other interviewees (i.e. 3) declare that disclosure also has a significant reputational role within the market.

*"Reporting in general is important. Reporting has a **reputational role** to a certain extent." (Corporate service - contracts management, no. 5)*

*"**Reputational role** and important competitive effects on market." (Head of ERM, no. 6)*

*"**Reputational role**, […] economic relevance." (Internal auditor, no. 11)*

However, four respondents say that, in their opinion, this disclosure is not considered as a key tool and stakeholder does not matter about it. They perceive it as a poor value information and a mandatory process.

*"**Poor value**." (CFO, no. 8)*

*"**Corporate culture** is more focused to disclose more financial, organizational issues rather than risk issue." (CFO, no. 9)*

*"**Mandatory disclosure** to shareholders." (General affair director, no. 10)*

*"It is **not so much perceived as a key tool**. If they were not asked, I think they would not be given […] because it is not considered an important element. […] It is not considered an important element in our industry or that gives us more prestige than someone else." (Internal auditor, no. 12)*

Finally, other people interviewed (i.e. 4) have not explicitly expressed their opinion about the role of the disclosure.

9.6. Advantages and Disadvantages of Information About Risk Process

As regard to the advantages of disclosing more information on the risk management process, respondents could be divided into two groups. On the one hand, the majority of them (i.e. 7) declare that there are no advantages of disclosing more information on the risk management process. In these organizations, information is given only for compliance.

*"There are **no advantages** in this document." (Internal auditor, no. 3)*

*"**Purely to be as transparent as possible** and to confirm the internal process carried out." (Corporate service - contracts management, no. 5)*

*"There is **nothing positive**, also because our information about the internal model and the market were already given and stakeholder don't care much about a certain type of information. Compliance without any real benefit." (Head of ERM, no. 6)*

*"I **don't see** any special **advantages**." (CFO, no. 8)*

*"**No advantages**." (CFO, no. 9)*

*"It is not true that more I communicate and more advantages and disadvantages I have. I **see no correlation** between them. It depends on what is required by the law. (General affair director, no. 10)*

*"I see **no particular advantages**." (Internal auditor, no. 11)*

On the other hand, some respondents (i.e. 6) think that there are several advantages, like competitive ones and an increase of confidence in the organization by the stakeholder, due to a more accurate and a deeper awareness of the company.

*"**Information advantages** to the external reader in general." (Internal auditor, no. 1)*

*"**Competitive advantage** but also governance related opinions. More confidence with these approached issues." (Risk strategy and capital adequacy manager, no. 2)*

*"More correct and complete understanding of the company, the sector and, consequently, should lead to a **better evaluation**." (CFO, no. 7)*

*"In my opinion risk management is **really crucial** right now." (Internal auditor, no. 12)*

*"**Big advantages** precisely because for stakeholders, even indirect, showing that there is a structured risk management process is a positive message that also gives a whole series of guarantees for those who then have interests in the organization" (Risk management director, no. 13)*

*"You transmit a **sense of trust, security**." (ERM manager, no. 14)*

Finally, two people interviewed have not indicated the advantages they see in disclosing information about risk process.
Table XIV provides a summary of the results.

Table XIV - Advantages of disclosing information

Type of advantages	Frequency	% of sample
No advantages	7	46,67
More awareness in the company	6	40
Not expressed	2	13,33
Total	15	100

Regarding the disadvantages of disclosing more information on the risk management process, the major concern raised by the respondents (i.e. 8) are the misunderstanding, due to not appropriately communicate information to stakeholder, and also providing competitive information to the market and to competitors.

*"Disadvantages of **not to know how to communicate** well, models and process in an appropriate manner." (Internal auditor, no. 1)*

*"These are **complex and complicated issues**. When publishing information it is not always possible to say clearly and simply how the situation is. Market could misinterpret. You are likely to throw concerns in the market that in reality there are not." (Risk strategy and capital adequacy manager, no. 2)*

*"To the extent that it is not required, there are no disadvantages because I do not lose energy. Possible **misunderstandings** by shareholders." (Internal auditor, no. 4)*

*"Some **weakness** that become public, **information asymmetry** with competitors." (CFO, no. 7)*

*"**Providing advantages** to competitors." (CFO, no. 8)*

*"Giving information on certain **critical issues** to the client portfolio or others. It would be a possible damage without compensation." (CFO, no. 9)*

*"**Communicating certain things** that if the control system, generally speaking, is not adequately structured kickbacks can also be significant." (ERM manager, no. 14)*

*"The strong correlation between integrated risk management and strategic planning could lead to the market **providing sensitive strategic guidance**." (Corporate affairs, no. 15)*

Other interviewees (i.e. 3) declare that there are no disadvantages of disclosing more information on the risk management process.

*"I see **no particular disadvantages**." (Internal auditor, no. 11)*

*"I **don't see** them." (Internal auditor, no. 12)*

*"In my opinion, I **do not see disadvantages**." (Risk management director, no. 13)*

Some answerer (i.e. 2) affirm that there are a surplus cost arising from the risk process.

*"Needing to address **other costs**." (Corporate service - contracts management, no. 5)*

*"It's **very costly**." (Head of ERM, no. 6)*

Finally, two people interviewed have not declared the opinion on the disadvantages of disclosing more information risk process.
A summary is reported in Table XV.

Table XV - Disadvantages of disclosing information

Type of disadvantages	Frequency	% of sample
Misunderstanding and competitive information	8	53,33
No disadvantages	3	20
Increasing costs	2	13,33
Not expressed	2	13,33
Total	15	100

10. Discussion and Conclusion

Over the last years a growing demand has emerged at the international level for effective risk management processes within organizations and for greater transparency about that (Panfilo, 2019). The increased interest is reflected in the growing number of publications about risk management, as seen in the literature review conducted in this research, that shows how papers about risk management disclosure boosted since 2016.

However, from the clustering of the papers according to the main topic discussed, the largest number of researches is focused on determinants factors of risk management disclosure. In particular the factors that influence risk management disclosure like company size, management and board characteristics.

Furthermore, many papers refer to the implementation of risk disclosure, focusing on exploring the consequences of the introduction of mandatory disclosure and the level of compliance with requirements. In summary, these articles aim to identify the impact of risk disclosure before and after implementation of new regulations. Other researches explore the outcome of risk management process, specifically the result of risk management disclosure. Finally, only one paper investigates risk management process, but not exactly risk management disclosure process.

According to Panfilo (2019) it emerges a literature gap about a general overview on risk disclosure management process, transpiring that still little is known about how organizations disclose information connected to their ERM process.

The review support the former study, six gaps indeed arise from the literature review that inspired a subsequent research based on investigating how the nature and extent of the content about risk management is included into the Corporate Governance reports of Italian listed companies. To achieve this aim, it is used the telephonic qualitative interviews method, in which research participants are managers involved into the risk management process in Italian listed companies.

Results show that the board has mainly an approval role in the majority of the organizations interviewed, showing that it has only a marginal and formal role, without being an active part of the disclosure process. Overall, only few people interviewed declare that the Board has a role of guidance and assess the adequacy of the system, in accordance with the Italian CG Code of Self-Regulation

requirements. According to Elshandidy and Neri (2015), this result emphasizes the limited role currently played by corporate governance in Italy in stimulating managers to provide more significant information about their risk processes.

Then, it is explored people in charge of writing the CG report and results prove that there is not a common approach between companies. On the contrary, each organization employs different people in this process, including the Internal Auditor, Chief Financial Officer, the Legal Department, Corporate Affair, partly in accordance with CG Code requirements.

With regard to the time of disclosure process, approximately half companies state that their process last less than some weeks, demonstrating that little time is dedicate to disclosure process and therefore considering it of little importance or an expensive compliance tool.

A little more than half organization dedicates more than one month to the drafting process of Corporate Governance report, showing that it is a quite long process to which companies dedicate a lot of time and resources.

It is then investigated why many companies not voluntarily disclose about the ERM process adopted in their organization, asking their concerns about that. Most of people interviewed attribute the reason for not giving greater information on ERM process to firm characteristics. Specifically, they refer to company size and this confirms Linsley and Shrives' (2006) findings that demonstrate a positive correlation exists between the volume of risk disclosures and company size. This also reflects the results of general disclosure studies (for example Probohudono et al., 2013; Adam et al., 2016; Nahar et al., 2016; Samanta and Dugal, 2016; Soebyakto et al., 2018; Mazumder and Hossain, 2018).

Some interviewees have shown suspects of those companies that not voluntarily disclose information, thinking that they want to hide something to their stakeholders. Consequently, this may be potentially dangerous for companies reputation, in line with Leopizzi et al. (2019) findings show the tendency to disclose only positive or neutral aspects, while omitting negative aspects.

Connected to those reasons for not voluntary disclose, it is investigated companies concerns about disclosing information. Most of the people interviewed declare to not have particular concerns, while some organizations have mainly competitive

concerns, related to the reasons of not disclose for covering up confidential information.

Afterwards, it is explored the factors considered and used by organizations to determine the nature and the extent of information disclosed. Results show that companies may be divided into two distinct groups with conflicting use. On the one hand, companies change the information as a consequences of new requirements from the parent company and new internal activities implemented throughout the year. This does not appear to be related to regulatory factors deducing that Italian companies go beyond compliance. On the other hand, organizations change the information as a result of new requirements, updates and new version of various frameworks and codes. Thus, firms update information disclosed only in case of new law. This is in line with Elshandidy and Neri (2015) research results showing that corporate governance stimulates Italian organization to provide more risk information mandatorily than voluntarily. Overall, this is probably due to the industry of the firm and it may depend on specific requirements, more stringent in some sectors than others.

As regard to the importance of the CG report as a communication tool, even in this case, firms can be divided into two groups: on the one side those who think that it's an important tool; on the other side, those firms who declare that it's not a valuable tool or not completely appreciated. The fact that someone declare that it's not an important communication tool may explain why some companies dedicate little time to disclosure process and evidence concerns about information disclosed, not going beyond compliance.

This research has theoretical implication contributing to prior studies identifying the potential benefits that organizations may have when disclosing more information on ERM. In particular, companies declare to have competitive advantages and an increase of confidence by the stakeholder, due to a more accurate and a deeper awareness of the company. In other words, the main advantage seems to be towards the stakeholders in terms of more transparency and consequently of more trust towards the company. However, half of the sampled organizations do not see advantages, showing that for some companies risk management disclosure process is only a formal procedure, not valuable, considering sufficient the mandatory information, without the need to publish further information. This prove how firms

tend to not fully disclose their effective internal ERM process, in line with Panfilo (2019).

Regarding the disadvantages of disclosing more information on the risk management process, the major concern raised by the respondents are the misunderstanding due to not knowing how to communicate well, emerging a poor awareness of the disclosure process. Linked to the concern about misunderstandings of the stakeholders, it emerges the competitive fear to provide strategic information to competitor. Thus, it confirms those competitive reasons for not voluntary disclose discussed above.

Findings can contribute to the risk management disclosure process area, extending previous studies centering on the Italian context (Greco, 2012; Florio and Leoni, 2017; Leopizzi et al., 2020). Furthermore, according to Elshandidy and Neri (2015) results "rationalize the debate over the impact improved corporate governance has on disclosure practices, in general, and within the Italian context in particular. Thus, the logic of this rationalization may lead policymakers to encourage firms to implement corporate governance so as to improve the informational content of their financial reporting."

Results may also encourage organizations not obliged to nonfinancial disclosure to understand the importance, the advantages and the opportunity to manage and disclose risk information (Leopizzi et al., 2020).

The research limitations are, first of all in the literature review, the ranking of the paper. Specifically, the majority of the researches analyzed are not included in the ABS ranking. Moreover, none of them is 4 ABS-ranked (the top level) and only six articles are 3 ABS-ranked. Second, the limited sample size restricted to Italian area could affect the generalizability of the findings. Third, data of interviews are collected in 2015. Despite the regulation about internal control system and risk management of CG Italian Code has not revised, companies may have changed their thought and their risk management process.

In the future, the evolution of the companies thought about risk management disclosure process and about the importance of risk information disclosed could be an interesting area for future research.

Appendix: Interviews

For a detail about the most important answer phrases of each person interviewed see the following.

Firm number 1, pharmaceutical industry.

Internal auditor, interview duration time: 34 minutes.

RQ1. “Approves corporate governance report.”

RQ2. “Manager responsible for drawing up accounting documents. Legal departments, corporate affairs office, independent auditors, foreign relations office (seven people). For about a month, but not a calendar month.”

RQ3. “It’s difficult for me to answer this question, I see no reasons not to publish. Poor corporate culture. Concerns has never been expressed.”

RQ4. “Process made by dynamic and quantitative activities (financial statements), managements interviews. *(For the CG report)* New regulation from code of self-discipline. Changes in 2000, in 2005, for compliance reasons.”

RQ5. “Neutral approach, we describe control system elements within a certain level of detail. Useful and complete information that must be provide to the stakeholder.”

RQ6. “Information advantages to the external reader in general. Disadvantages of not to know how to communicate well, models and process in an appropriate manner.”

Firm number 2, financial services industry.

Risk strategy and capital adequacy manager, interview duration time: 32 minutes.

RQ1. “It mandates the CRO to draft. Role of direction and indication of the strategy. Ex-ante definition and positioning, monitoring in the continuous information.”

RQ2. "CRO (Chief Restructuring Officer). Three weeks/a month.”

RQ3. “Disclosure implies many people and time. It’s a business area where results in term of profitability are low. No concerns, communicate well is something safe for the organization.”

RQ4. Legislation is decisive (as a minimum) then it also depends on the CRO and what informative he wants to give. (*For the CG report)* Level of external

communication, corporate culture and how a thing becomes a common asset of the company. Changes in last two years, for compliance."

RQ5. "Absolutely central. Communicate well is also a competitive factor. Reduction of information asymmetry is crucial."

RQ6. "Competitive advantage but also governance related opinions. More confidence with these approached issues. These are complex and complicated issues. When publishing information it is not always possible to say clearly and simply how the situation is. Market could misinterpret. You are likely to throw concerns in the market that in reality there are not."

Firm number 3, food and beverage industry

Internal auditor, interview duration time: 23 minutes.

RQ1. "Reading the report (three members and the president) to verify consistency with strategies. Ultimately responsible, it approves and provides strategic direction."

RQ2. "The corporate secretary lawyer and the internal auditor. 2 people, in general about twenty people collect data. The process is not done constantly so I would say about three months."

RQ3. "We just have to implement it. There are no particular concerns."

RQ4. "We considered the Code of self-discipline without giving more details. Changes as a consequences of Code of self- discipline updates."

RQ5. "It's a process of value. It's a key tool. It's an important reputational tool in terms of transparency. Communication process must not be detailed. […] It will not miss to the good reader that a wide information is available reading all documents."

RQ6. "There are no advantages in this document. Disadvantages to the extent that it is not required there are no disadvantages because I do not lose energy. Possible misunderstandings by shareholders."

Firm number 4, building materials industry

Internal auditor, interview duration time: 42 minutes.

RQ1. "The board gives approval."

RQ2. "Administration and legal affairs department, internal auditor, control and risk committee, legal affair in particular. A colleague who deals with budgets helps me in the drafting process. One/two days not more."

RQ3. “I would say no for competitive reasons. Not to indicate a lot of information in which then the reader gets lost. Boiler plate I say. The market is already saturated of information, so what could be the use of knowing this further information? For us it is also important given the type of activity we perform.”
RQ4. “In the report, we are very focused on the structure, we follow Coso, code of self-discipline, law number 262 and 231 indications. Changes in 2016. We received changes of code of self-discipline in 2015. Due to german subsidiary company that adopted a different risk management process.”
RQ5. "There is a certain recognition of the importance of external disclosure, although it is not sophisticated. For us it is also important given the type of activity we perform ”
RQ6. -

Firm number 5, manufacturing industry

Corporate service - contracts management, interview duration time: 18 minutes.
RQ1. “The board gives approval.”
RQ2. “Corporate service department, also passes through the Control and Risk Committee throughout the year, in march the draft is ready. Thus, fifteen months.
RQ3. “I don’t know… A competitive problem. Management process perceived as a strategic factor. It is not considered a dangerous information.”
RQ4. “We refer to the format of Borsa Italiana, to the code of self-discipline. (*For the CG report)* Other frameworks for other types of information such as internal auditing or internal control administration are reported. Evolutionary change arise from changes to the code.”
RQ5. “The communication on this part is not perceived as critical, it is drawn up like other parts. It is considered neither relevant nor a problem. We merely communicate what is required by the code. No information (about risk management) are considered to have an impact on stakeholder. Reporting in general is important. Reporting has a reputational role to a certain extent.”
RQ6. “Purely to be as transparent as possible and to confirm the internal process carried out. Needing to address other costs.”

Firm number 6, financial services industry

Head of ERM, interview duration time: 26 minutes.

RQ1. "Approval of the whole package, steering effect."

RQ2. "Risk management, in particular, internal control and risk management section, with internal audit collaboration, six people. For each company more or less one person, plus the responsible person's review. A month and a half."

RQ3. "Not everyone who claims to have an internal ERM or ERM department technically does the same thing inside the enterprise. This lack of homogeneity (between functions within the company) in the approaches I think is the reason why they do not give great disclosure. The only real concern is to give different information to companies in the same group. Both in terms of detail and also in terms of description of governance. Surely ensuring consistency is an important part."

RQ4. "New regulations come into force, for example IVASS 22. (Changes) A few years ago for greater awareness of what the process is. Now, that the report is more or less steady, there are no much changes from one year to another. No for changes in legislation, but from changes in the parent company that maybe asks to give more focus on one thing than another."

RQ5. "Surely, it is very important; now (with new regulation) it will become even much more. It has a reputational role and important competitive effects on market."

RQ6. "There is nothing positive, also because the information from us were already given, we think about the internal model and the market, they don't care much about a certain type of information. Compliance without any real benefit. It's very costly."

Firm number 7, manufacturing industry

Chief financial officer

RQ1. "Review and approval role."

RQ2. "Internal audit manager that involves other relevant actors. Area managers of SCI. Six people. About three weeks."

RQ3. "To not expose potential criticality. Making public any weaknesses. For competitive purpose it can be dangerous to the extent that competitors are not required to symmetrical disclosure."

RQ4. “Comparison with guidelines and best practices. (*For the CG report)* Maximum transparency combined with the materiality of information, that is weighting impact and probability/ frequency. The risks disclosed are only those for which the product between impact and probability is higher. Evolution of guidelines, organizational evolutions, benchmarks.”
RQ5. “We consider important the information on risk management but prefer to give informative substance within the annual report. It’s important and highly appreciated. It is essential a wide disclosure, for a correct relationship with all stakeholders.”
RQ6. “More correct and complete understanding of the company, the sector and, consequently, should lead to a better evaluation. Some weakness that become public, information asymmetry with competitors.”

Firm number 8, manufacturing industry

Chief Financial Officer
RQ1. "It analyzes the draft prepared by the interior, carries out its own considerations and, if necessary, modifies / integrates this draft. Then approves it.”
RQ2. “Responsible is the administrator in charge of the internal control and risk management system, with the support of the various internal functions.”
RQ3. “An adoption of the ERM more formal than substantial, so you do not want to clearly reveal such dyscrasia. Internal business processes should not be known to competitors. "Dangerous" for competitive purposes, if it is not treated in very general terms.”
RQ4. “The format of Borsa Italiana as reference point. (*For the CG report)* The process followed to identify risks, their management and subsequent control activities. Changes as a consequences of the evolution of internal activities carried out."
RQ5. “Providing all information that is permitted or should be provided. The way the report is structured, it is not of particular value. Poor value.”
RQ6. “I don’t see any special advantages. Providing advantages to competitors.”

Firm number 9, manufacturing industry

Chief Financial Officer, interview duration time: 13 minutes.

RQ1. “They look at it (the draft) very carelessly. Supervision (approval and supervision).”
RQ2. “I make it with the internal audit manager. Two people. For the drafting of the section, I would say one day.”
RQ3. “It also depends a lot to the company size. I guess it’s different for big companies that have more relevant environmental or financial issues. They may also be more attentive to a disclosure on risk management. There is a deeper analysis of the critical issues that we should be extremely wary of communicating, for competitive purposes.”
RQ4. “The format of the corporate governance committee. Changes for regulatory updates.”
RQ5. “Very marginal. It is a mandatory disclosure to provide information; from the point of view of the readers of our report, I think it is no interest at all. There is never anyone who has asked me a question or a deepening on this subject. Corporate culture is more focused to disclose more financial, organizational issues rather than risk issue.”
RQ6. “No advantages. Giving information on certain critical issues to the client portfolio or others. It would be a possible damage without compensation.”

Firm number 10, manufacturing industry

Chief financial officer, interview duration time: 27 minutes.
RQ1. “Approval and responsibility role. Acknowledges, comments and may make changes.”
RQ2. “Chief Financial Officer with the support of various corporate areas, in particular the top management. Continuous process, a couple of months before the assembly.”
RQ3. “I don’t understand the reasons to not want to communicate it. You have to see whether it’s really the process (of ERM). No concern, because there is no company that has no risks.”
RQ4. “We follow Assonime, Borsa Italiana and Consob indications. (*For the CG report)* We have described in a broad way in the report all the information and the control and risk system. Changes as a result of the continuous process and of the rules that push more and more on the transparency factor.”

RQ5. “It is certainly an added value, every information that the company gives to the market is value. Guideline is completeness and transparency of information disclose toward shareholders. We cannot issue information that creates information asymmetry. Shareholder’s side is difficult to measure if information is valued by the market. It has a role of mandatory disclosure to shareholders ”

RQ6. “It is not true that more I communicate and more advantages and disadvantages I have. I see no correlation between them. It depends on what is required by the law.”

Firm number 11, utilities industry

Internal auditor, interview duration time: 29 minutes.

RQ1. “Approval role, a formal step.”

RQ2. “Internal audit and compliance. Internal audit, a couple of people, corporate affairs colleagues and also a person of the ERM. Four/five people. A couple of months.”

RQ3. “Smaller companies have a less structured process, so they have less to say in the report. More structured companies have the opportunity to devote more resources, more people. We have no competitive fears.”

RQ4. “Traditional model of Corporate governance and the code of self-discipline. We adopt Coso framework. In addition to detailing how the process is structured we also give evidence of what emerged during the year. Risk management process, how it is structured and what are the main risks that management highlights. Changes as a consequences of half-yearly updates depending on emerging events.”

RQ5. “Reputational role, […] economic relevance.”

RQ6. “I see no particular advantages or disadvantages.”

Firm number 12, manufacturing industry

Internal auditor, interview duration time: 26 minutes.

RQ1. “It reads and then eventually makes comments.”

RQ2. “Me, the legal director, the administrative director, and then all the individual administrators. Three/four days.”

RQ3. “I don't know that… It depends on the industry and also on the company size.”

RQ4. “We tend to be transparent, so we communicate everything that is recorded in the various minutes of the Board of Directors, the Board of Statutory Auditors but also the Control and Risk Committee and the supervisory model. Compliance with the new stock exchange format, when we are not (complaint), we write and explain why. Changes as a consequences of new format and the new version of the code. Mainly normative factors.”

RQ5. “There’s a lot of discretion, the less you say the better. It’s okay to say things as they are, but without in short abounding in details. We pay much more attention to audits and compliance activities than to the effectiveness and efficiency of operations. I’m not sure it’s perceived by the stakeholders. But for investors I think it is. It is not so much perceived as a key tool. If they were not asked I think they would not be given […] because it is not considered an important element. It is not considered in our industry an important element or that gives us more prestige than someone else.”

RQ6. “In my opinion risk management is really crucial right now. I don’t see disadvantages.”

Firm number 13, utilities industry

Risk management director, interview duration time: 20 minutes.

RQ1. “It examines, suggests changes and then takes note of them.”

RQ2. “The company coordinates the report and then each business area contributes for its part and we for the risk management part. I can’t tell you a precise number of people, but a lot of people. Because basically every business area contributes. Two/ three people about risk management part. A month, a month and a half.”

RQ3. “No, no…it is given extensive disclosure about everything being done. About corporate governance the consideration is high. Absolutely important.”

RQ4. “We give maximum disclosure of everything that is carried out in corporate governance. References that we adopt are the COSO report and ISO 31000. Changes as a result of the evolution of the risk management process implemented in the company.”

RQ5. “Absolutely yes (*important*), absolutely relevant. About corporate governance the consideration is high. Absolutely important. It is an important toll. Not only with a reputational role but also a concrete one on several aspects”

RQ6. “Great advantages precisely because for stakeholders, even indirect, showing that there is a structured risk management process is a positive message that also gives a whole series of guarantees for those who then have interests in organization. In my opinion I do not see disadvantages.”

Firm number 14, utilities industry

ERM manager

RQ1. “Non-direct intervention. Vice-president, as a member of the Board of Directors and Chairman of the Control and Risk Committee, has all the conditions to be able to contribute or participate in the supervision of the document.”

RQ2. “Solicitations and any requests for processing are received, from the point of view of operational management, by the company’s legal department. For the drafting, the corporate lawyer, the ERM, finance and control management with the manager in charge. Final supervision of the Operational Chairperson and Chief Executive Officer. One, maximum two persons for each function. Few months (four/ five). From September October of the same year […] and a deadline is set around mid-February.”

RQ3. “Process maturity: ERM is a relatively recent process. A kind of inertial approach, that is, as the discipline requires to represent a certain type of information in a clearer, more explicit and perhaps more structured way, then at that point we adapt; but because there is an external urge to do certain things. *(Concerns:)* The ability to read certain information may not be fully perceptible. Particularly articulated elements can be not clearly perceived and read. Yes, *(it is a dangerous tool for competitive purposes)*.”

RQ4. “We try to explain the structure of the process. It is a description of process, of sessions carried out, of activities organization. We fell the need of changing. We were also very driven by the code of self-discipline.”

RQ5. “It is certainly very important for our society to communicate outside. It is a document meditated precisely because it has its relevance and its importance. It is important not only for shareholders but also for stakeholders in general…to have an impact that we feel and hope positive on the overall reputation of the company.”

RQ6. “You transmit a sense of trust, security. *(Disadvanatges:)* Communicating certain things that if the control system, generally speaking, is not adequately structured kickbacks can also be significant.”

Firm number 15, financial services industry

Corporate affairs

RQ1. “It approves the report.”

RQ2. “Corporate Affairs, in collaboration with Internal Audit and Monitoring and Control of Financial Reporting. About four people. About a month and a half.”

RQ3. “The strong correlation between integrated risk management and strategic planning could lead to provide to the market sensitive strategic factors. There are no particular concerns.”

RQ4. “Format made available by Borsa Italiana and regulations (various). (*For the CG report)* format made available by Borsa Italiana and the content of internal regulations. Changes as a consequence of suggestions made by the Corporate Governance Committee, the progressive structuring of a complete system of internal controls within the Bank, as well as the evolution of the legislation. comparison with other issuers, from the activity of Assonime, reflections spread by Ambrosetti are also considered.”

RQ5. “It’s as important as the other information requested by Borsa Italiana format for the preparation of the report. It is part of the overall process of communication to stakeholders, in a logic of coherence with the contents of other communication tools. It has a fundamental role. Effective disclosure is seen by the organization primarily as a key instrument of shareholder relations. The firm refers to information sharing as a key role in the relationship with customers.”

RQ6. “Finding a balance avoiding both the reticence and the excess of information in which then stakeholders might struggle to find those useful. The strong correlation between integrated risk management and strategic planning could lead to the market providing sensitive strategic guidance.”

References

Abdelrehim, N., Linsley, P. & Verma, S. (2017). Understanding risk disclosures as a function of social organisation: A neo-Durkheimian institutional theory-based study of Burmah Oil Company. Br. Account. Rev., 1971 - 1976.

Abdullah, M., Abdul-Shukor, Z. & Rahmat, M. M. (2017). The influences of risk management committee and audit committee towards voluntary risk management disclosure. Jurnal Pengurusan, 50, 83–95.

Adam, M., Mukhtaruddin, Hasni Yusrianti & Sulistiani (2016). Company characteristics and enterprise risk management disclosure: Empirical study on Indonesia listed companies. International journal of applied Business and Economic Research, 14 (2), 1-18.

AICPA & NCSU: The State of Risk Oversight (2016). An Overview of Enterprise Risk Management Practices. Available on the internet at: https://erm.ncsu.edu/az/erm/i/chan/library/AICPA_ERM_Research_Study_ 2016.pdf.

Al-Maghzom, A., Hussainey, K. & Aly, D. (2016). Corporate Governance and Risk Disclosure: Evidence from Saudi Arabia. Corporate Ownership and Control Journal, Volume 13 (2), 145-166.

Al-Smadi, M. O. (2019). Corporate governance and risk taking of Jordanian listed corporations: The impact of board of directors. Investment Management and Financial Innovations 16(1), 79-88.

Ameer, R. & Othman, R. (2009). Market risk disclosure: Evidence from Malaysian listed firms. Journal of Financial Regulation and Compliance, 57-69.

ASSONIME - Associazione fra le Società Italiane per Azioni (2018). La Corporate Governance in Italia: autodisciplina, remunerazioni e comply-or-explain. Assonime - Emittenti Titoli, Note e Studi 2.

Azlan Amran, A. & Haat, M. H. C. (2008). Risk reporting: An exploratory study on risk management disclosure in Malaysian annual reports. Managerial Auditing Journal, 39-57.

Babu, S., Babu, A. M. & Sekhar, M. C. (2013). Enterprise Risk Management Integrated framework for Cloud Computing. Int. J. Advanced Networking and Applications, Volume: 05, Issue: 03, 1939-1950.

Buckby, S., Gallery, G. & Ma, J. (2015). An analysis of risk management disclosures: Australian evidence. Managerial Auditing Journal, Volume: 1 Issue: 1, to Volume: 35 Issue: 5.

Comitato per la Corporate Governance delle società quotate (1999). Rapporto - Codice di Autodisciplina. Available on the internet at https://www.borsaitaliana.it/comitato-corporate-governance/codice/versioniprecedenticodice.htm.

Comitato Corporate Governance (2011). Codice di Corporate Governance. Available on the internet at https://www.borsaitaliana.it/comitato-corporate-governance/codice/versioniprecedenticodice.htm.

Comitato Corporate Governance (2015). Codice di Corporate Governance. Available on the internet at https://www.borsaitaliana.it/comitato-corporate-governance/codice/versioniprecedenticodice.htm.

Comitato Corporate Governance (2018). Codice di Corporate Governance. Available on the internet at https://www.borsaitaliana.it/comitato-corporate-governance/codice/versioniprecedenticodice.htm.

Comitato Corporate Governance (2020). Codice di Corporate Governance. Available on the internet at https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm.

Cortez R. M., Johnston W. J. (2020). The Coronavirus crisis in B2B settings: Crisis uniqueness and managerial implications based on social exchange theory. Industrial Marketing Management, Volume 88, p. 125-135.

COSO (2004). Enterprise Risk Management — Integrated Framework - Executive Summary. Available on the internet at http://www.coso.org.

COSO (2018). Enterprise Risk Management | Applying enterprise risk management to environmental, social and governance-related risks - Executive Summary. Available on the internet at http://www.coso.org.

COSO (2018). Enterprise Risk Management | Applying enterprise risk management to environmental, social and governance-related risks - Preliminary draft. Available on the internet at http://www.coso.org.

Delbufalo, E. (2012). Outcomes of inter-organizational trust in supply chain relationships: a systematic literature review and a meta-analysis of the empirical evidence. Supply Chain Management: An International Journal, 17(4), 377–402.

Dos Santos, J. G. C. & Coelho, A. C. (2018). Value-relevance of disclosure: risk factors and risk management in Brazilian firms. Revista Contabilidade & Finanças 29(3), 390-404.

Ellili, N. & Nobanee, H. (2017). Corporate Risk Disclosure of Islamic and Conventional Banks. Banks and Bank Systems. 12 (3), 247-256.

Elshandidy, T. & Neri, L. (2015). Corporate Governance, Risk Disclosure Practices, and Market Liquidity: Comparative Evidence from the UK and Italy. Corporate Governance: An International Review, 23(4), 331-356.

Farida, A. L., Roziq, A. & Wardayati, S. M. (2019). Determinant Variables Of Enterprise Risk Management (ERM), Audit Opinions And Company Value On Insurance Emitents Listed In Indonesia Stock Exchange. International Journal Of Scientific & Technology Research Volume 8, Issue 07, 288-293.

Florio, C. & Leoni, G. (2017). Enterprise risk management and firm performance: The Italian case. The British Accounting Review 49, 56-74.

Gao, X., Wang, X. & Tian, F. (2019). Do significant risk warnings in annual reports increase corporate bond credit spreads? Evidence from China. China Journal of Accounting Research 12, 191–208.

Ghani, E., Said, J. & Yuliansyah Y. (2016). The effect of risk management and operational information disclosure practices on public listed firms' financial performance. Int. Journal of Economics and Management 10 (S2), 235 – 252.

Greco, G. (2012). The management's reaction to new mandatory risk disclosure - A longitudinal study on Italian listed companies. Corporate Communications: An International Journal, From Volume: 1 Issue: 1, to Volume: 25 Issue: 2, 113-137.

Hassan, M. K. (2011). Risk regulations and disclosure in the United Arab Emirates: an institutional theory analysis. Corporate Ownership and Control 8(4), 514-528.

Hayne, C. & Free C. (2014). Hybridized professional groups and institutional work: COSO and the rise of enterprise risk management. Accounting, Organizations and Society 39, 309–330.

Hemrit, W. (2018). Risk reporting appraisal in post-revolutionary Tunisia. Journal of Financial Reporting and Accounting, Volume 16 (4), 522-542.

Ismail, R., Rahman, R. A. & Ahmad, N. (2013). Risk Management Disclosure In Malaysian Islamic Financial Institutions: Pre-And Post-Financial Crisis. Journal of Applied Business Research (JABR), 29(2), 419-432.

Jizi, M. (2015). How banks' internal governance mechanisms influence risk reporting. Corporate Ownership and Control 12(3), 55-72.

Jones, M., Melis, A., Gaia, S. & Aresu, S. (2018). Does graphical reporting improve risk disclosure? Evidence from European banks. Journal of Applied Accounting Research, Vol. 19 No. 1, 161-180.

Kakanda, M. M., Salim, B. & Chandren, S. (2017). Corporate governance reform and risk management disclosures: evidence from Nigeria. Business and Economic Horizons, 13(3), 357-367.

Kitchenham, B. & Charters, S. (2007). Guidelines for performing systematic review pro- cess research in software engineering. Version 2.3. EBSE Technical Report.

Kulikova, L. I. & Gubaidullina, A. R. (2016). Information Disclosure Influence About Financial Statement Risk on Strategic Managerial Decision. Electronic Business Journal, Volume 15, Issue 12, 509-516.

Lajili, K. & Zeghal, D. (2005). A Content Analysis of Risk Management Disclosures in Canadian Annual Reports. Canadian Journal of Administrative Sciences / Revue Canadienne des Sciences de l Administration 22(2), 125 - 142.

Lam, J. (2014). Enterprise Risk Management: From Incentives to Controls. John Wiley & Sons, Incorporated, 69-81.

Lam, J. (2017). Implementing enterprise risk management : From methods to applications. Wiley, 3-20, 93-154.

Leopizzi, R., Iazzi, A., Venturelli, A. & Principale S. (2019). Nonfinancial risk disclosure: The “state of the art” of Italian companies. Corporate Social Responsibility Environmental Management. 2020;27, 358–368.

Li, A., Michaelides, M., Rose, M. & Garg, M. (2019). Climate-related Risk and Financial Statements: Implications for Regulators, Preparers, Auditors and Users. Australian Accounting Review, Volume 29 (3), 599-605.

Linsley, P. M. & Shrives, P. J. (2006). Risk reporting: A study of risk disclosures in the annual reports of UK companies. The British Accounting Review 38, 387–404.

Lobo, G. J., Siqueira, W. Z., Tam, K. & Zhou J. (2019). Does SEC FRR No. 48 disclosure communicate risk management effectiveness? Journal of Accounting and Public Police, Volume 38 (6).

Maingot, M., Quon, T. & Zéghal, D. (2012). The effect of the financial crisis on enterprise risk management disclosures. International Journal of Risk Assessment and Management 16(4), 227-247.

Maingot, M., Quon, T. & Zéghal, D. (2014). The effect of the financial crisis on risk disclosures: a comparative study of U.S. and Canadian corporations. [Conference issue]. Corporate Ownership & Control, 11(3-2), 447-458.

Mandzila, E. E. W. & Zéghal, D. (2016). Content Analysis Of Board Reports On Corporate Governance, Internal Controls And Risk Management: Evidence From France. The Journal of Applied Business Research - Volume 32 (3), 637-647.

Marshall, A. & Weetman, P. (2002). Information asymmetry in disclosure of foreign exchange risk management: can regulation be effective? Journal of Economics and Business 54, 31–53.

Marshall, A. & Weetman P. (2007). Modelling transparency in disclosure: the case of foreign exchange risk management. Journal of Business Finance & Accounting, Vol. 34, 705-739.

Mazumder, M. M. M. & Hossain, D. M. (2018). Research on CorporateRiskReporting:Current Trends and Future Avenues. Journal of Asian Finance, Economics and Business Vol 5 No1, 29-41.

Meier, H. H., Tomaszewski, S. G. & Tobing R. (1995). Political Risk Assessmentand Disclosure in Annual Financial Reports: The Case of the Persian Gulf War. Journal of International Accounting, Auditing and Taxation, Volume 4 (1), 49-68.

Mishra, B. K., Rolland, E., Satpathy, A. & Moore M. (2019). A framework for enterprise risk identification and management: the resource-based view. Managerial Auditing Journal Vol. 34 (2), 162-188.

Moloi, T. (2015). A critical examination of risks disclosed by South African mining companies’ pre and posts Marikana event. Problems and Perspectives in Management, 13(4-1), 168-176.

Moloi, T. (2016). A cross sectoral comparison of risk management practices in selected South African organizations. Problems and Perspectives in Management, 14(3-1).

Moloi, T. (2017). A Survey on South Africa's Public Institutions' Risk Management Practices: A View from the Chief Risk Officer. International Journal of Applied Business and Economic Research 15(24).

National Tresury - Republic of South Africa (2010). Public Sector Risk Management Framework. Available on the internet at https://oag.treasury.gov.za/.

Oliveira, J., Rodrigues, L.L. & Craig, R. (2011). Risk-related disclosures by non-finance companies: Portuguese practices and discloser characteristics. Managerial Auditing Journal, 26 (9), 817-839.

Oliveira, J., Serrasqueiro, R. & Mota, S. N. (2018). Determinants of risk reporting by Portuguese and Spanish non-finance companies. European Business Review, Vol. 30 (3), 311-339.

Panfilo, S. (2019). (In)Consistency Between Private and Public Disclosure on Enterprise Risk Management and Its Determinants. In: Linsley P., Shrives P., Wieczorek-Kosmala M. (eds) Multiple Perspectives in Risk and Risk Management. Springer Proceedings in Business and Economics. Springer, Cham, 87-123.

Probohudono, N. A., Tower, G. & Rusmin R. (2013). Risk disclosure during the global financial crisis. Social Responsibility Journal, Vol. 9 (1), 124-137.

Ratri, An. M. & Pangeran, P. (2020). Relationship Balanced Scorecard and COSO 2013 Risk Management to Improve Performance: A Case Study on BPR Chandra Mukti Artha Bank. International Journal of Multicultural and Multireligious Understanding, Volume 7 (1), 566-576.

Rodríguez Domínguez, L. & Noguera Gámez, L. C. (2014). Corporate reporting on risks - Evidence from Spanish companies. Revista de Contabilidad – Spanish Accounting Review 17 (2), 116–129.

Segal, S. (2011): Corporate value of enterprise risk management. The next step in business management. 65-82.

Shivaani, M., Jain, P.K. & Yadav, S.S. (2019). Development of a risk disclosure index and its application in an Indian context. Managerial Auditing Journal, Vol. 35 (1), 1-23.

Sivarajah, U., Kamal, M. M., Zahir I. & Weerakkody V. (2017). Critical analysis of Big Data challenges and analytical methods. Journal of Business Research 70, 263–286.

Soebyakto, B. B., Mukhtaruddin, Relasari & Sinulingga A. (2018). Company characteristics and risk management disclosure: empirical study of manufacturing companies listed on the Indonesia stock exchange. Problems and Perspectives in Management, 16(2), 396-411.

Solomon, J. F., Solomon, A., Norton, S. D. & Joseph N. L. (2000). A Conceptual Framework For Corporate Risk Disclosure Emerging From The Agenda For Corporate Governance Reform. The British Accounting Review, Volume 32 (4), 447-478.

Taylor, G., Tower, G. & Neilson J. (2010). Corporate communication of financial risk. Accounting and Finance 50, 417-446.

The Financial Reporting Council (2005). Revised Guidance for Directors on the Combined Code.

Thuélin, E. C., Henneron, S., & Touron P. (2006). Risk Regulations and Financial Disclosure: an Investigation Based on Corporate Communication in French Traded Companies. Corporate Communications: An International Journal, Vol. 11 (3), 303-326.

Togok, S. H. J., Isa, C. R. & Zainuddin S. (2016). Enterprise Risk Management Adoption in Malaysia: A Disclosure Approach. Asian Journal of Business and Accounting, [S.l.], Volume 9 (1), 83-104.

Tranfield, D., Denyer, D. & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. British Journal of Management, 14(3), 207–222.

Vincent, N. E., Higgs J. L. & Pinsker R. E. (2017). IT Governance and the Maturity of IT Risk Management Practices. Journal of Information Systems, Vol. 31 (1), 59-77.

Xu, T., Grove, H. & Schaberl, P. (2013). Corporate Governance: A Risk Management Approach. Corporate Ownership & Control, Volume 10 (2).