

The Institute of Risk Management

# Risk Trends 2023

Led by the IRM global network of  
risk practitioners and professionals

**Paul May LLB, MBA, FCII, CFIRM, FCILA, Chairman of Concordia Consultancy Ltd, an IRM Global Ambassador, former IRM Board Director and member of the Corporate Governance Expert Advisory Group at the Institute of Directors, was asked by the Institute of Risk Management for his thoughts on Risk Trends in 2023.**

We are living and working in an increasingly uncertain period with many historical views and solutions being challenged. Selecting the five “top risks” for 2023 predictions has not been straight forward. I have had to leave out risks such as AI, Demographics, Cyber, Terrorism and Inflation, and have chosen:

- Upside Opportunities
- Glass Cladding
- Concrete
- Supply Chain
- Corporate Governance.

## **Upside Opportunities**

Risk management is often thought of as preparing for downsides. However, creating responses to the upside risk can show the value that the Risk Function can bring to an organisation and its stakeholders.

There will be greater focus on identifying and preparing tactics to respond to unexpected events that open new opportunities for organisations.

Such responses may well require increased funding and changes to personnel, placing stress on unprepared organisations.

## **Glass Cladding**

Considerable attention has rightfully been given to the flammability of external cladding with remedial measures and compensation in progress.

The use of large panes of glass for external cladding, especially to high-rise buildings, will receive greater scrutiny. There have been incidences of individual panes coming loose and falling to the pavement below.

Access issues and fire spread risk will receive increased scrutiny and potentially affect insurability, life-span and the value of the building, especially for residential leasehold apartments.

## **Concrete**

As the 3<sup>rd</sup> largest producer of man-made CO<sub>2</sub>, concrete is a major contributor to climate change.

The industry and its insurers may well be targeted and disrupted in ways similar to those that have been deployed against fossil fuel industries, and their insurers.

## **Supply Chain**

The resilience and security of cross-border supply chains will receive increasing attention.

War, sanctions, and energy costs plus climate harm and nationalistic priorities are generating a cauldron of issues placing supply chain security at risk.

Production costs and re-locations will reduce profitability of many businesses.

## **Corporate Governance**

The risks presented to an organisation by the actions (and inactions) of individual directors and the Board will be increasingly analysed by external auditors and D & O insurers.

Although the Board is regarded as being responsible for holding management accountable, the current risk management frameworks leave the oversight of Governance Risk in the hands of those that are governing.

Questioning and challenging the main board and directors is not necessarily a career enhancing prospect for those employed within Risk Management Roles.

The need for a Chief Risk Officer with a remit to review Governance Risk in conjunction with the external auditors is increasing.

The role and independence of main board non-executives chairing Risk and Audit sub-committees is overdue for a review.

It would be great to see IRM establish a Special Interest Group for Corporate Governance Risk...

Paul's predictions for previous years published by the Institute of Risk Management can be accessed here:

[2021 Predictions for Climate Change and Flood](#)

[2020 Predictions for Climate Change](#)

[2019 Flood Risk and Climate Change](#)

Feel free to send any views +/- to Paul at [Paul.may@concordiaconsultancy.com](mailto:Paul.may@concordiaconsultancy.com)

[Paul May CV](#)

The IRM is the leading professional body for Enterprise Risk Management.  
We help build excellence in risk to improve the way organisations work.



The full Risk Trends 2023 Report can be accessed here: <https://www.theirm.org>.