

# Risk-Reporting in the Context of Corporate Governance

## **Abstract**

An important part of “good” Corporate Governance is transparent reporting. The Corporate Governance Code provides a sound regulation framework for management and supervision of firms. The Code aims at making the Corporate Governance system transparent and understandable. It focuses on long-term value enhancement. The Code’s goal is to provide high levels of transparency and to restore confidence. Therefore risk-reporting is of great importance. In this context, efficient internal control systems and risk management systems are crucial for value enhancement and truthful reporting fosters credibility.

The purpose of this thesis is to analyze the relevance and importance of gaps regarding risk reporting and to identify other important gaps and find solutions. The outcomes are then compared with theoretical concepts and the according legal regulations.

As research method, qualitative analysis was chosen. The author interviewed two experts from auditing firms and management consultants and seven experts from Big-Four-audit-firms.

The results of the empirical study show that the goal of an addressee-friendly risk-reporting is still not achieved. Risk-reporting cannot serve as decision support because of insufficient information in risk-reports.

A solution for this problem could be to publish a standard that demands a simplification of risk-reports as well as a more substantiated and comprehensive presentation and evaluation of risks.

A further conclusion is that company culture and Corporate Social Responsibility are very important for behaviour control and “good” Corporate Governance.