UNILAG Journal of Humanities (UJH) Vol. 7, No 2, 2019

Enterprise Risk Management and Corporate Performance in Nigerian Non-Financial Quoted Companies

Folake Feyisayo Olowokudejo & Moruff Sanjo Oladimeji
Department of Actuarial Science & Insurance,
University of Lagos, Akoka,
& Department of Business Administration
Olabisi Onabanjo University, Ago-Iwoye

Abstract
The aim of this study is to examine the effect of Enterprise Risk Management (ERM) on financial performance of the non-financial quoted companies in Nigeria, using the following financial performance parameters: shareholder value, profit margin ratio, and management efficiency. Secondary data were obtained from all the thirty-three companies, which is the total population of all active non-financial companies quoted on the Nigerian Stock Exchange, and the various compliance elements of ERM practices and financial performance indicators were identified and examined. Regression analysis was adopted to examine the effect of ERM on the performance of non-financial quoted firms. The findings showed that ERM implementation status has positive significant effect on shareholder value ($\beta = 0.788$, p-value < 0.05)*, profit margin ratio* ($\beta = 0.723$, p-value < 0.05)*, and management efficiency* ($\beta = 0.817$, p-value < 0.05) *of non-financial quoted firms in Nigeria. It is therefore concluded that the implementation status of ERM has a positive significant effect on shareholder value, profit margin ratio, and management efficiency of non-financial quoted firms in Nigeria. The study recommends a proactive risk management approach for non-financial organizations through the adoption of the ERM programme which is evaluated through the ERM template designed for this study. Furthermore, it is recommended that non-financial firms should employ ERM towards the enhancement of their shareholders' value, profit margin ratio, and management efficiency.*

Keywords: Enterprise Risk Management (ERM), Non-Financial Quoted Companies, Shareholders' Value, Profitability, Management Efficiency.

Introduction
Risk is a growing concern to companies, especially in the present time of economic melt-down. The traditional view of risk is that it is something to avoid.

That being said, risk is an integral part of doing business, and without taking on risk, enterprises will not be able to create value for stakeholders. According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2004), value is maximised when management sets strategy and objectives to strike an optimal balance between growth and return, growth and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives .

Traditional Risk Management (TRM) views each risk on its own, in silos. This is suboptimal because there may be portfolio effects comparable to that of a portfolio of stocks. In such a portfolio, stocks in different industries may be negatively correlated so that if one does well the other does badly. The same goes for risk management. TRM ignores these correlations and thus leads to flawed risk management (Dickson, 2001). Over the last decade or so, a number of business leaders have recognized the potential risk management shortcomings in the traditional risk management approach and have begun to embrace the concept of enterprise risk management (ERM) as a way to strengthen their organization's risk oversight. They have proactively embraced ERM as a business process to enhance how they manage enterprise risks.

Following the demise of top companies in the United States of America, such as Enron, WorldCom, Xerox, Polly Peck and Parmalat, concerns have been raised about how effectively and efficiently companies are being managed. Controls and Risk Management are the pivotal issues in today's corporate environment (Moncarz, Moncarz, Cabello & Mocarz, 2006). These significant events have shaken the confidence of investors and the public and have triggered the enactment of laws and standards by governments and other regulatory bodies in an attempt to solve the problem. The Sarbanes – Oxley Act (of the USA) and the combined code of ???? (of the UK) are examples of such laws (McShane, Nair & Rustambekov 2011). In Nigeria, there is the Securities and Exchange Commission (SEC) Corporate Governance Code applicable to all quoted companies.

The recurring huge company collapse, corporate scandals, and other external and internal factors, coupled with the lack of confidence by investors and creditors in financial reporting, are the main reasons which become strong motivating factors for strengthening and enhancing corporate governance and the adoption of ERM across industries (Kleffner, Lee & McGannon, 2003; Lam, 2014). Therefore, ERM has now become an important issue for businesses, industries, and the

academia. It is broader in scope and has now been included in corporate philosophy.

Risk Management is a key part of growing the company's revenue and future profitability. Risk Management links to conformity, which leads to performance. Performance leads to sustainable profitability and growth. Hence, there is a direct linkage between Risk Management and profitability (Ugwuanyi, Uche & Imo, 2012). This research work seeks to achieve the following objectives: establish if there is any effect of ERM implementation status on shareholders' value; ascertain the effect of ERM implementation status on profit margin; examine the effect of ERM implementation status on management efficiency.

To achieve the objectives of the study, the following research questions were asked: Is there any effect of ERM implementation status on shareholders' value of non-financial quoted firms in Nigeria? To what extent does ERM implementation status affect the profit margin of non-financial quoted firms in Nigeria? To what degree does ERM implementation status affect the management efficiency of non-financial quoted firms in Nigeria? And the following hypotheses were formulated: ERM implementation has no significant effect on shareholder value; ERM implementation has no significant effect on profit margin; ERM implementation does not have significant effect on management efficiency.

Literature Review

There has been a paradigm shift from the insurance-based approach of risk management to a new strategic perspective (Deloach, 2000), which is holistic (Schneier & Miccolis, 1998) and focuses on the business and enterprise risk. In other words, ERM is an approach, where the company is contemplated as a whole, and value creation is stressed. The process is designed as a value-adding activity on account of its forward looking approach (Walker, Shenkir & Barton, 2002).

The risk profile is the residual of the applied risk management strategies, hence, the relation between risk management strategies and business performance can be measured by considering how the changes in the risk profile affect the business performance, as illustrated in figure 1 below:

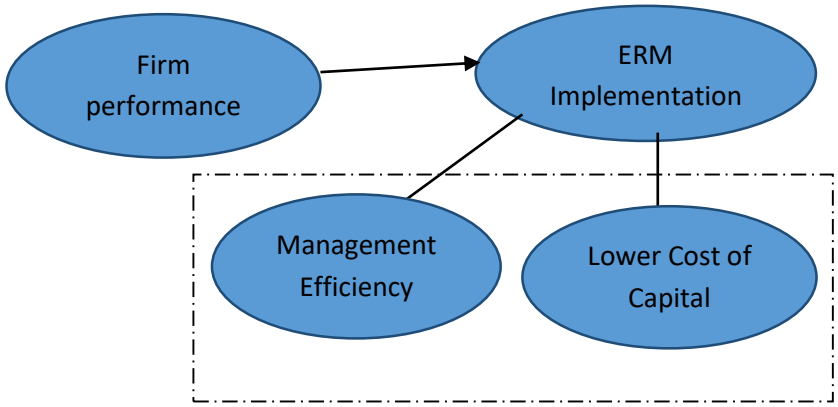

Figure 1: *Path Diagram of the Causal Relationship between ERM and Shareholder value*
Source: Adapted from Lai and Samad (2011)

Figure 1 shows the benefits of ERM implementation, which leads to reduction of the cost of capital and ultimately improvement in the performance of the firm. A successful Enterprise-wide Risk Strategy (EWRM) ensures that the risk management strategy is in accordance with the overall goals of the company and results in reduction of unacceptable risks and strategic errors, more timely corrective actions and better management of the risk profile (Deloach, 2000). Hence the overall enterprise performance is enhanced over time.

Corporate scandals and diminished confidence in financial reporting among investors and creditors have renewed Corporate Governance as a top-of-mind priority for Boards of Directors, Management, Auditors, and Stakeholders. At the same time, the number of companies trying to manage risk across the entire enterprise is rising sharply. Thus there is need for companies to effectively integrate Enterprise Risk Management with Corporate Governance (Sobel & Reding, 2004).

These capabilities inherent in enterprise risk management help management to achieve the entity's performance and profitability targets and prevent loss of resources. Enterprise Risk Management helps ensure effective reporting and compliance with laws and regulations, and helps avoid damage to the entity's reputation and associated consequences. It delivers a current, credible understanding of the risks unique to an organization across a broad spectrum that includes all types of risk (Credit Risk, Operational Risk, Market Risk, Liquidity

Risk and Trading Risk), lines of business and other key dimensions (Lai, 2014). In sum, Enterprise Risk Management helps an entity get to where it is going and avoid pitfalls and surprises along the way (Nocco & Stulz, 2006).

Companies' performance could be measured by shareholder value, return on assets and management efficiency among other variables (Liebenberg & Hoyt, 2003). According to Lai, Azizan and Samad (2010) and COSO, (2004), the advantages of implementing ERM in the organization include: reducing risk/return profile of the company; reducing stock price volatility which leads to improving the shareholder's worth; attaining competitive advantage; enhance decision making ability; building confidence for investors; minimizing the expenditures related to different risk management activities; improving capital efficiency; enhancing resource allocation; improving return on equity and reducing the cost of external financing. These advantages lead to a reduction of the cost of capital and improvement of the firm's performance (Shad & Lai, 2015). According to Lai and Samad (2011), the ERM implementation will affect the value of the shareholders by reducing the cost of capital (via lowered risk premium) and increasing the business efficiency (i.e., higher price-to-earnings ratio for the firm's shares). The relationship between the ERM program and the firm's value enhancement is shown in *Figure 1.*

For a long time, it was believed that corporate risk management is irrelevant to the value of the firm and the arguments in favour of the irrelevance were based on the Capital Asset Pricing Mode (CAPM) (Sharpe, 1964; Lintner, 1965; Mossin, 1966) and the Modiglianni-Miller theorem (Modigliani & Miller, 1958). One of the most important implications of CAPM is that diversified shareholders should care only about the systematic (market risk) component of total risk. On the surface, it would appear that this implies that managers of firms who are acting in the best interests of shareholders should be indifferent about hedging of risks that are unsystematic (Company or industry specific risks). Miller and Modigliani's proposition supports CAPM findings.

However, proponents of the value adding effect of ERM define ERM as a body of knowledge – concepts, methods, and techniques – that enables a firm to understand, measure, and manage its overall risk so as to maximise the company's value to shareholders and other stakeholders (COSO, 2004). It has been argued that, while traditional risk management is largely concerned with protecting the firm against adverse financial effects of risk, Enterprise Risk Management makes

risk management part of the company's overall strategy and enables companies to make better risk adjusted decisions that maximize shareholder value (Lam & Kawamoto, 1997)

Methodology

The scope of study has been limited to an evaluation of the active quoted companies on the Nigerian Stock exchange with the exclusion of banks, insurance and all categories of financial intermediaries regulated by the Central Bank of Nigeria and the National Insurance Commission. This is because; financial institutions are regulated by International Conventions such as Solvency 1&2 for insurance companies, and Basel I, II & III for the banks. These International Conventions are based on very strong risk management considerations and principles and by implication risk management practice in this sector is far more advanced in relation to other sectors. This explains the exclusion of financial institutions from the focus of this research. Other sectors are by far less regulated until recently that the SEC in Nigeria implemented the Code of Corporate Governance in 2013. These regulations however apply only to companies quoted on the Nigerian Stock exchange.

The ERM implementation evaluation template (EET) is designed and applied in this research to evaluate the extent of ERM adoption by the sampled companies with regard to compliance with the SEC Code of Corporate Governance (2003), the IFRS, and the provisions of the Companies and Allied Matters Act. The EET applies a weighted score to each company and the 33 companies evaluated are ranked in order of ERM adoption, from the highest to the lowest. The corporate performance of each company, using the following financial performance indices: Shareholder Value, Profit Margin Ratio and Management Efficiency Ratio.

The companies are also ranked based on the scores attained for each financial performance index. Having achieved a ranking for all of the above indices, a regression analysis was conducted to ascertain the effect of the independent variable (ERM) on the dependent variables (shareholder value, profit margin ratio, and management efficiency).

The overall research strategy adopts evaluative and analytical tools using the secondary data. The evaluative approach adopted is a quantitative analytical technique to extract and analyse information that will support an inferential deduction sufficient to answer the research questions

Information was gathered from (a) The Securities and Exchange Commission, (b) The Nigerian Stock Exchange, (c) Provisions of the Companies and Allied Matters Act, (d) The Financial Reporting Council of Nigeria, and (e) Requirements of the International Financial Reporting Standards about the 33 active, non-financial, quoted companies listed on the Nigerian stock exchange which constituted the population for this study. All the 33 companies surveyed are required by the SEC Code of Corporate Governance to maintain specific compliance requirements as regards ERM.

Secondary data were used for this work. As the population of study consists of all active non-financial institutions quoted on the Nigerian stock exchange as presented in Table 1 below, the required data were collected from annual reports, company websites, and other relevant information about these organizations in the public domain. Where necessary, some primary data are also obtained, but only for the purpose of validating the secondary data information, this was done through informal sources and researcher's industry knowledge and contacts.

Results and Interpretation

Data was analysed using both the descriptive, inferential and correlative analytical tools. In order to test for the effect ERM implementation status on corporate performance indices, the regression analysis was carried out with a 5% level of significant.

Table 1: Population Classification by Sectors

S/N	Sectors	Active Companies	%
a.	Conglomerates	5	15.0
b.	Construction	1	3.0
c.	Real Estate	1	3.0
d.	Consumer Goods	12	36.0
e.	Healthcare	4	12.0
f.	Industrial Goods	4	12.0
g.	Oil and Gas	5	15.0
h.	Tourism	1	3.0
	Total	**33**	**100%**

Source: *Nigerian Stock Exchange, 2017*

Table 1 shows that most of the non-financial companies listed on the Nigerian Stock Exchange are into the production and distribution of consumer goods. This sector constitutes 36% of the population, while tourism has the least at 3%.
Table 2 shows the descriptive results of the listed performance indicators:

Table 2: Descriptive Results summary of listed performance indicators

S/N	Statistics	Earnings per share (EPS)	Profit Margin Ratio	Management Efficiency Ratio
1	Mean	4.025	4.23	8.10
2	Standard Error	1.27	2.22	9.10
3	Median	1.08	4.33	7.20
4	Mode	N/A	N/A	N/A
5	Standard Deviation	7.17	12.58	5.2
6	Kurtosis	6.06	3.90	2.57
7	Skewness	2.38	-0.83	1.25

Source: *Research Findings, 2018*

For Shareholder Value is, the distribution is not normal. It is positively skewed with a heavy tail. The Average earning per share for the surveyed companies is N4/share. For Profit Margin Ratio, findings show that net profit on total revenue for the surveyed companies is an average of 4.23% and the distribution is negatively skewed with a heavy tail, thereby indicating some high extreme values. Data is not a normal distribution. While the ratio of Revenues to Total Asset is 8.10%. The distribution is slightly positively skewed and with not so heavy tail, meaning there are no extreme values.

The Enterprise Risk Management Evaluation Template (EET) is used to analyse and score the companies based on level of ERM adoption and implementation. The result of the exercise is as presented in the Table3 below;

Table 3: **ERM Implementation Evaluation Review (EET)**

S/N	**Name**	**ERM Implementation Score**
1	Seplat Oil Plc	3.40
2	Julius Berger Plc	3.30
3	Nigerian Breweries Plc	3.27
4	Oando Oil Plc	3.24
5	Dangote Cement Plc	3.20
6	Guiness Nig Plc	3.19

7	PZ Cussons Plc	3.14
8	Forte Oil Plc	3.12
9	UACN	3.12
10	Unilever Plc	3.05
11	Cap Plc	3.04
12	Total Plc	3.02
13	MRS Oil Plc	3.00
14	Pharmadeko Plc	3.00
15	Transcorp Plc	2.98
16	Berger Paints	2.96
17	Vitafoam Plc	2.96
18	Nascon Allied Plc	2.95
19	AG Leventis	2.94
20	Mobil Oil Plc	2.93
21	Neimeth Plc	2.92
22	Lafarge Plc	2.90
23	Cadbury Plc	2.90
24	Honeywell Plc	2.83
25	DN Meyer	2.80
26	Fidson Healthcare	2.78
27	Nestle Plc	2.73
28	Flour Mills of Nig	2.69
29	Glaxo Smithkline	2.66
30	SCOA Nig Plc	2.65
31	Champions Brewery	2.64
32	Eterna Oil	2.41
33	Tourism Company Plc	2.14

Source: *Research Findings, 2018*

To evaluate corporate performance which is the dependent variable for this research study, 3 distinct performance indicators are used as standard measures: (i) Shareholder Value, (ii) Profitability Ratio, and (iii) Management Efficiency assessment.

Each of these performance indicators have been applied to test the surveyed companies' financial performance for the benchmark year of 2017. The ranking is presented in Table 4 – 6 below:

Table 4: Shareholders Value (Earnings per Share)

Rank	Company	Shareholder Value
1	Nestle Plc	29.95
2	Seplat Plc	24.00
3	Mobil Oil Nig Plc	13.51
4	Total Plc	11.92
5	Dangote Cement Plc	10.64
6	Lafarge Plc	5.93
7	Flour Mills of Nig Plc	5.50
8	Forte Oil Plc	5.30
9	Guinness Nig Plc	5.18
10	Nigerian Breweries Plc	4.80
11	MRS Oil Plc	3.68
12	UACN Plc	2.70
13	Cap Plc	2.48
14	Julius Berger Plc	1.33
15	PZ Cussons Plc	1.15
16	Berger Paints	1.14
17	Glaxo Smithkline Plc	1.01
18	Eterna Oil Plc	0.98
19	Nascon Allied Products Plc	0.79
20	Cadbury Nig Plc	0.61
21	Transcorp Plc	0.51
22	Fidson Plc	0.50
23	Unilever Plc	0.32
24	S.C.O.A Plc	0.28
25	Vitafoam Plc	0.25
26	DN Meyer Plc	0.18
27	Honeywell Flour Mills Plc	0.14
28	Champions Brewery	0.01
29	AG Leventis	-0.07
30	Neimeth Plc	-0.21
31	Pharmadeko Plc	-1.01
32	Oando Plc	-4.70
33	Tourism Company Plc	-1176.23

Source: *Researchers Analysis, 2018*

Table 5: Profitability Ratio

Rank	Company	Profit Margin Ratio
1	Dangote Cement Plc	36.87%
2	Cap Plc	24.65%
3	Nestle Plc	15.69%
4	Nascon Allied Products Plc	13.02%
5	Nigerian Breweries Plc	12.95%
6	Seplat Plc	11.50%
7	Berger Paints	10.93%
8	Lafarge Plc	10.10%
9	Fidson Plc	9.07%
10	Mobil Oil Nig Plc	7.59%
11	UACN Plc	7.09%
12	Guinness Nig Plc	6.58%
13	PZ Cussons Plc	6.25%
14	Transcorp Plc	4.98%
15	Forte Oil Plc	4.65%
16	DN Meyer Plc	4.45%
17	Flour Mills of Nig Plc	4.21%
18	Cadbury Nig Plc	4.14%
19	Glaxo Smithkline Plc	3.15%
20	S.C.O.A Plc	2.79%
21	Honeywell Flour Mills Plc	2.28%
22	Champions Brewery	2.20%
23	Unilever Plc	2.01%
24	Total Plc	1.95%
25	Julius Berger Plc	1.82%
26	Vitafoam Plc	1.45%
27	Eterna Oil Plc	1.39%
28	MRS Oil Plc	1.07%
29	AG Leventis	-1.41%
30	Pharmadeko Plc	-19.97%
31	Neimeth Plc	-22.98%
32	Oando Plc	-35.03%
33	Tourism Company Plc	-162.04%

Source: *Researchers Analysis, 2018*

Table 4 Shows that Nestle is ranked the best performing company in terms of Earnings per Share, while the Tourism Company Plc is the least in terms of this performance index. Table 5 Shows that Dangote Cement Plc is ranked the best company in terms of Profitability Ratio, while Tourism Company Plc is the least in terms of this performance index.

Table 6: Management Efficiency Ratio

S/N	Company	Management Efficiency Ratio
1	Total Plc	248.68%
2	Cap Plc	206.90%
3	Vitafoam Plc	130.25%
4	MRS Oil Plc	130.00%
5	Nestle Plc	126.89%
6	Mobil Oil Nig Plc	118.77%
7	Unilever Plc	118.04%
8	PZ Cussons Plc	108.52%
9	Forte Oil Plc	102.35%
10	Nascon Allied Products Plc	99.28%
11	Flour Mills of Nig Plc	99.20%
12	Cadbury Nig Plc	97.92%
13	Glaxo Smithklime Plc	97.78%
14	Guinness Nig Plc	96.93%
15	Nigerian Breweries Plc	82.51%
16	Berger Paints	78.00%
17	Honeywell Flour Mills Plc	72.20%
18	Neimeth Plc	66.39%
19	S.C.O.A Plc	65.21%
20	Lafarge Plc	58.99%
21	UACN Plc	56.85%
22	AG Leventis	56.00%
23	Julius Berger Plc	54.60%
24	DN Meyer Plc	50.99%
25	Fidson Plc	49.25%
26	Pharmadeko Plc	47.12%
27	Dangote Cement Plc	44.26%
28	Champions Brewery	33.90%
29	Seplat Plc	20.72%
30	Transcorp Plc	20.09%
31	Oando Plc	17.07%
32	Tourism Company Plc	15.70%
33	Eterna Oil Plc	3.22%

Source: *Researchers' findings (2018)*
Table 6 Shows that Total Plc is the leading company in terms of Management Efficiency Ratio, while Eterna Oil is the least in ranking.

Hypotheses Testing
Hypothesis One: There is no significant effect of ERM implementation status on shareholder value.

Table 7: Summary of Hypothesis1 result (Dependent Variable–Shareholders Value)

Variable	**Coefficient**	**T**	**P-Value**
ERM	0.788*	8.370	0.0000
F-Statistics 88.998 (0.0000) **N.B:*: Significant at 5 percent level**		R-Square= 0.825	

Author's computation from SPSS 23

The result on table 7 above revealed that ERM has a positive and significant effect on the shareholders value (β = 0.788, p-value =0.0000). This indicated that an improvement in ERM of non-financial quoted firms will enhance their shareholders value. The coefficient of determination (R^2) suggested that 82.5% variation in shareholders' value is accounted for by ERM, while the F-statistics suggests that the model is reliable for decision and policy making.

Hypothesis Two: There is no significant effect of ERM implementation status on profit margin ratio.

Table 8: Summary of Hypothesis 2 result
(Dependent Variable – Profit Margin Ratio)

Variable	**Coefficient**	**T**	**P-Value**
ERM	0.723*	10.052	0.0000
F-Statistics = 19.443 (0.0000) **N.B:*: Significant at 5 percent level**		R-Square =0.628	

Author's computation from SPSS 23

It is evident from the result above (Table 8) that ERM positively and significantly affect profit margin ratio of non-financial quoted firms in Nigeria (β = 0.723, p-value =0.0000). Therefore, an enhancement of ERM will enhance the profit margin ratio of non-financial quoted firms in Nigeria. The coefficient of

determination (R^2) suggested that 62.8% variation in profit margin ratio is explained by ERM, while the F-statistics suggested that the model is reliable for decision and policy making.

Hypothesis Three: There is no significant effect of ERM implementation status on management efficiency

Table 9: Summary of Hypothesis 3 result (Dependent Variable- Management Efficiency**)**

Variable	**Coefficient**	**T**	**P-Value**
ERM	0.817*	11.066	0.0000
F-Statistics = 25.772 (0.0000) **N.B:*: Significant at 5 percent level**		R-Square =0.711	

Author's computation from SPSS 23

It is evident from the result above (Table 9) that ERM positively and significantly affect management efficiency of non-financial quoted firms in Nigeria ($\beta = 0.817$, p-value =0.000). Therefore, an improvement in ERM will enhance the management efficiency of non-financial quoted firms in Nigeria. The coefficient of determination (R^2) suggested that 71.1% variation in SMEs survival is explained by the regulatory service, while the F-statistics suggested that the model is reliable for decision and policy making.

Conclusion and Recommendations

The primary objective of the research study is to re-emphasize the benefits of a proactive approach of managing the risks of non-financial companies quoted on the Nigerian Stock Exchange and the study sought to examine the probable impact that an ERM program, in particular has on the financial performance of an organization.

However, in the course of the research, it was observed that there is yet a common parameter that is being adopted to gauge the appropriateness and level of embedded risk management practices in the organizations surveyed. Consequently, different companies adopt varying benchmarks as was deduced from their disclosure content. The case is different with regards to financial enterprises such as banks, insurance companies and other financial intermediaries whose ERM practices are properly framed up in universal guidance codes like the

Basel 1, 2 & 3, and the Solvency 1 & 2. These conventions, have stipulated and specific compliance standards, and are measurable.
On the contrary, the other industries are sparsely regulated by pockets of different statutory rules and codes, primary of which are; Companies and Allied Matters Act, Securities and Exchange Code of Corporate Governance, Nigerian Stock Exchange Rules, International Financial Reporting Standards and the Financial Reporting Council of Nigeria regulations.

The conclusion from the findings of the study is that the implementation status of ERM in a corporate organization has a positive significant effect on shareholder value, profit margin ratio, and management efficiency of non-financial quoted firms in Nigeria. Therefore, the Path Diagram of the Causal Relationship between ERM and Shareholder value of Lai and Samad (2011) is modified thus

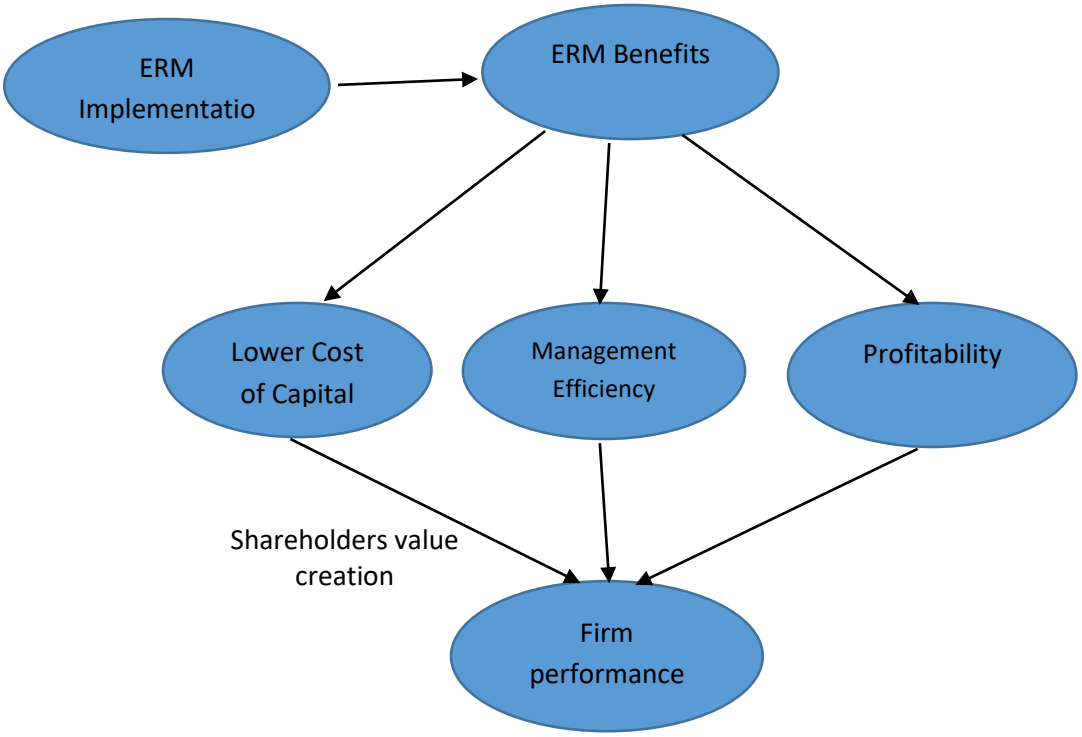

Figure 2: *Conceptual Model of the Links between ERM and Shareholder Value and Business Performance*
Source*: Olowokudejo and Oladimeji (2019)*

This outcome is not in tandem with the Modigliani and Miller (MM) theorem, which explains that in a world of perfect and complete markets, financial decisions within an organization are irrelevant as they do not alter the value of the shareholders stake in the firm. The only way to increase shareholders wealth is to increase value of the firms' assets. By implication, they posit that neither the capital structure nor the risk management decisions have an impact on the shareholders wealth. But the value of any company depends on effective planning, accurate allocation of companies' 'scarce' resources, investing profitably, making accurate and informed decisions and most importantly effectively managing business risks. Risk management is an effective tool to achieve all these and ERM enhances the firm's value in terms of capital efficiency and return on equity. Therefore it is recommended that firms should employ ERM towards the enhancement of their shareholder value, profit margin ratio, and management efficiency

This research work has been able to harmonize all the expected compliance requirements of these various bodies into a risk assessment template which will facilitate a self-assessment and also an oversight third party assessment. The template provides a detailed diagnostic approach to the evaluation of the competence of general risk management practice in any establishment. This is recommended for introduction and use in the business environment.

References

COSO (2004). Enterprise risk management – integrated framework. Committee of Sponsoring Organizations of the Tread way Commission.

Deloach, J. (2000). *Enterprise-wide Risk Management: Strategies for linking risk and opportunity.* London: Financial Times Prentice Hall.

Dickson, G. (2001). Enterprise Risk Management: Its Origins and Conceptual Foundation. *The Geneva Papers on Risk and Insurance, 26*(3), 360-366.

Kleffner, A., Lee, R. & McGannon, B. (2003). The Effect of Corporate Governance on the Use of Enterprise Risk Management: Evidence from Canada. *Risk Management and Insurance Review, 6*(1), 53-73.

Lai, F. W. (2014). Examining the Dimensions of Enterprise Risk Management Implementation Framework, Its Challenges and Benefits: A Study on Malaysian Public Listed Companies. *Journal of Economics, Business and Management, 2*(2), 83-102.

Lai, F. W. Azizan, A. A. & Samad, M.F.A. (2010). Shareholders Value Creation through Enterprise Risk Management. *International Journal of Business Research*, 44-57.

Lai, F.W. Azizan, A.A. & Samad, M.F. (2011). "A Strategic Framework for Value Enhancing Enterprise Risk Management." *Journal of Global Business and Economics, 2*(1), 23-47.

Lai, F.W. & Samad, F.A. (2011). Enterprise Risk Management Framework and the Empirical Determinants of Its Implementation *International Proceedings of Economics Development & Research*.

Lam, J., (2014). Enterprise risk management: From incentives to controls. New Jersey: John Wiley & Sons.

Lam, J., & Kawamoto, B.M. (1997). Emergence of the Chief Risk Officer, *Risk Management Review, September*, 30-34.

Liebenberg, A.P., & Hoyt, R.E. (2003). "The determinants of enterprise risk management: Evidence from the appointment of chief risk officers." *Risk Management and Insurance Review. 6* (1), 37-52.

Lintner J. (1965). The valuation of Risk Assets and the selection of Risky Investments in stock portfolios and capital budgets. *The Review of Economics and Statistics, 47,* 13-37.

McShane, M., Nair, A. & Rustambekov, E. (2011). Does enterprise risk management increase firm value? *The journal of Accounting, Auditing and Finance*, *26*(4), 641-658.

Modigliani, F. & Miller, M.H (1958). The cost of capital, Corporate Finance and the Theory of Investment, *American Economic Survey, 48*, 261-297.

Moncarz, E.S, Moncarz, R., Cabello, A. & Moncarz, B. (2006). The Rise and Collapse of Enron: Financial Innovation, Errors and Lessons. *Contaduria Administracion*, 17-37. Retrieved from http//www.ejournal.uncm.mx/rca/218/RCA21802.pdf.

Mossin Jan (1966). Equilibrium in a Capital Asset Market, *Econometrica*, *34*(3), 768-783.

Nocco B. & Stultz R. (2006). Enterprise Risk Management: Theory and Practice. *The Journal of Applied Corporate Finance, 18*(4), 8-20.

Security and Exchange Commission (SEC) (2003). Code of Corporate Governance for Companies Listed in the Stock Exchange. Retrieved from www.sec.gov.ng on October 20, 2018.

Shad, M. K. & Fong-Woon L. (2015). A Conceptual Framework for Enterprise Risk Management performance measure through Economic Value Added. *Global Business and Management Research, 7*(2), 1-12.

Sharpe William F. (1964). Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk. *The Journal of Finance, 19*(3): 425-442.

Sobel, P.J. & Reding, K.F. (2004). Aligning corporate governance with enterprise risk management. *Management Accounting Quarterly*, *5*(2): 1-9.

Ugwuanyi, C.Y. Uche B. & Imo. I.G., (2012). Enterprise Risk Management and Performance of Nigeria's Brewery Industry. *Journal of Developing Country Studies*, *2*(10), 18-24.

Walker, P. L., Shenkir, W. G., &S Barton, T. (2002). *Enterprise Risk Management: Pulling It All Together.* Altamonte Springs: Institute of Internal Auditors Research Foundation.

I acknowledge the contribution of Olayiwola O. Adedayo of the Risk Management Department, Courteville Business Solutions Plc, Lagos, Nigeria.

