



ENTERPRISE RISK MANAGEMENT PROGRAM UPDATE

Shaun Farmer, *Chief Internal Auditor*
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WHAT IS ENTERPRISE RISK MANAGEMENT?



A comprehensive approach to **identifying, assessing, prioritizing, and managing risks** across a company



Considers risks from various perspectives, including strategic, financial, operational, compliance, and reputational risks

PRIMARY GOAL:

Enable organizations to **effectively anticipate, evaluate, and mitigate risks** while maximizing opportunities to **achieve their objectives, increase competitive advantage and enhance value creation**

“Enterprise risk management is not a function or department. It is the culture, capabilities, and practices that organizations integrate with strategy-setting and apply when they carry out that strategy, with a purpose of managing risk in creating, preserving, and realizing value.” – COSO¹

ENTERPRISE RISK MANAGEMENT PROCESS OVERVIEW



ENTERPRISE RISK MANAGEMENT PROGRAM GOVERNANCE

Roles and Responsibilities



Risk Action Owner

- Develop and implement mitigation action plans to address identified risks
- Track the effectiveness of mitigation strategies and report progress to the Risk Accountability Owner
- Allocate necessary resources (time, budget, personnel) for effective risk management
- Ensure alignment and awareness among stakeholders through open communication



Risk Accountability Owner

- Ensure risk management activities align with strategic objectives
- Assess the effectiveness of Risk Action Owners and mitigation strategies
- Prepare and present detailed risk reports to executive stakeholders
- Update risk management policies and procedures to maintain relevance and effectiveness

ENTERPRISE RISK MANAGEMENT PROGRAM GOVERNANCE

Roles and Responsibilities



Executive Risk Stakeholder

- Embed risk management into strategic planning and decision-making processes
- Secure and allocate resources for risk management initiatives
- Foster a proactive, risk-aware culture within the organization
- Act as the primary contact between the risk management team and the board, ensuring the board is informed of significant risks and mitigation efforts



Board of Directors

- Provide overall governance and oversight of the risk management framework
- Define and approve the organization's risk appetite and tolerance levels
- Regularly review risk reports and challenge effectiveness of risk management strategies
- Hold executive management accountable for effective risk management practices and achieving objectives

RECENT ERM PROGRAM ACTIVITIES

SEPTEMBER 2024

Steering Committee Meeting

Members debriefed on program activities and discussed opportunities to advance ERM for the agency

JANUARY 2025

Facilitated interactive risk identification sessions with agency personnel to gain insight into current and emerging risks for the agency

FEBRUARY 2025

Steering Committee Meeting

Members conducted collaborative risk assessment session to assess identified risks and ensure proper prioritization based on risk significance and needed response

NEXT STEPS

- Quarterly ERM Steering Committee to be held during June, August and November 2025
- Risk owners to be identified and risk response plans to be developed/finalized
- Establish enhanced risk reporting capabilities through KRIs/KPIs to help monitor key risks



THANK YOU

