

# ENTERPRISE RISK MANAGEMENT

## Program Update

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# ENTERPRISE RISK MANAGEMENT PROGRAM

## *A Structured, Mature, Enterprise Approach*

Our ERM program has continued to evolve into a more structured, enterprise-wide capability integrated with strategy and assurance, and embedded within the agency's culture. As a result, ERM has strengthened governance and transparency and fostered greater trust in how the organization identifies and manages uncertainty.



Established a **comprehensive, systematic, and consistent approach** to identifying, assessing, and addressing potential risks



Maintained strong **executive leadership involvement** to ensure ERM is grounded in **strategic priorities and operational realities**, driving more reliable risk insights and improved accountability



Enhanced **engagement across departments** and strengthened a more collaborative, **risk-aware culture** through a coordinated and structured Steering Committee meetings



Advanced **mitigation strategies** and integrated quantitative and qualitative risk insights to **enhance monitoring activities**

# ENTERPRISE RISK MANAGEMENT PROGRAM

## Process Overview

IDENTIFY

PRIORITIZE

EVALUATE

RESPOND

MONITOR AND REPORT

RESILIENCE · SYNERGY · STRATEGY · OBJECTIVE SETTING · DECISION MAKING · TRUST · PERFORMANCE

**Identify** current and emerging risk to organization's performance objectives

Assess and **prioritize** top risks for the agency based on potential impact and likelihood of occurrence

**Evaluate** the effectiveness of current risk mitigation activities and decide potential mitigation improvements

Validate and adjust **risk response** strategies to further mitigate or accept risk

Continuously **monitor** risk landscape and strategies to minimize risk escalation

**Report** to Steering Committee with risk insights and recommendations, enabling more informed decision-making

# ENTERPRISE RISK MANAGEMENT PROGRAM

## *Program Governance*

The ERM Steering Committee's mission is to create a **practical and sustainable process** to assist with **identifying, assessing, and managing risks** across the agency. Serving as the backbone of the ERM program, it provides a structured platform to:

- ◆ Regularly identify and analyze **top risks** facing the agency
- ◆ Determine **risk response strategies** and assign **risk ownership**
- ◆ Evaluate the **effectiveness** of risk responses and mitigation activities
- ◆ Monitor risk profiles and **identify emerging issues**
- ◆ Foster **collaboration** to ensure an enterprise-wide view of risks

With representation from key departments, the Steering Committee enables a **broader perspective on the risk landscape**, ensuring that risk management decisions align with strategic priorities.

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## *Integrated Risk and Strategy*

ERM and strategic planning are not separate activities that occasionally intersect, they are **deliberately and actively coordinated**. The two-way relationship strengthens decision-making, performance monitoring, and organizational accountability.



The agency's **Mission, Vision, and Goals** help sharpen ERM focus and risk prioritization



ERM helps leadership understand factors that could influence **strategic execution** and anticipate challenges that could affect **long-term goals**



# ENTERPRISE RISK MANAGEMENT PROGRAM

## *Coordinated Assurance and Stronger Governance*

ERM and Internal Audit have a **structured, collaborative but independent relationship** that is focused on strengthening assurance across the organization.



ERM supports Internal Audit by identifying **areas where review or validation** may add value



Insights from Internal Audit highlight **control gaps and emerging issues**, helping ERM refine risk response strategies and improve mitigation efforts



ERM insights can be used to help **inform the risk based internal audit plan**, ensuring internal audit efforts align with agency priorities and governance needs



Audit findings and trend analyses highlight **cross-cutting issues** that support ERM in identifying emerging risks and validating agency-wide risk themes

# ENTERPRISE RISK MANAGEMENT PROGRAM

## *Program Priorities and Next Steps*



Leverage the growing use of **standardized tools and templates** to further institutionalize ERM practices



Continue maturing a risk aware culture through **expanded education, communication, and collaboration**



Advance monitoring and reporting capabilities by expanding the use of **risk metrics and leading indicators** that support timely, proactive risk intelligence

“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.**”

*- Committee of Sponsoring Organizations of the Treadway Commission (COSO)*



**THANK YOU**

