

Checklist: Designing a Collaborative ERM Process



One of the first steps to promoting integrated risk management is engaging senior management and the Board in setting a collaborative tone. When senior leadership succeeds in doing so, this naturally drives more coordination and communication among risk groups, as well as helps to embed a risk-aware culture throughout the organization. The following are several ways to engage executives in promoting collaboration among risk functions:

- Identify a senior executive or Board member to lead ERM strategy.
- Take a top-down approach to the risk assessment by identifying the organization's top strategies first. Best practice resources:
 - [The COSO ERM framework.](#)
 - [The Strategic Risk Management Model.](#)
 - [The Return Driven Strategy Model.](#)
- Encourage senior management to use the risk assessment process to drive strategy.
- Develop a formal risk management charter that:
 - Clearly outlines roles and responsibilities for internal audit, risk, and compliance groups.
 - Includes a clear definition of the organization's risk appetite and ERM framework.
- Link the audit plan risk assessment and the enterprise risk assessment.
- Insist on a consolidated view of the company's key risks and overall risk profile that is continually updated.
 - Use a shared data model for risk functions to aggregate, manage, and report on risks in a coordinated manner.