STRENGTHENING ERM

A Key to Success in a Volatile Environment

AUDITBOARD

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Introduction

Enterprise risk management (ERM) is an activity whose overall objective is to enhance organizational performance. ERM achieves this by providing the Board and senior management with insights into the key risks that could prevent the organization from achieving its strategies and objectives, enabling them to effectively manage those risks.[1] In today's rapidly shifting global risk climate, organizations face increased pressure to strengthen ERM practices. 83% of institutions in Deloitte's latest Global Risk Management Survey, 11th edition, have an ERM program in place, up from 73% in the prior year's survey.[2] Now more than ever, it is important to have mature risk management practices in place to respond as efficiently and adequately as possible to unprecedented risk events, such as the Coronavirus (COVID-19) pandemic.

Adopting a strategy-centric position toward ERM—as opposed to overly focusing on risk prevention—empowers leaders to take the right risks and realize significant strategic advantages, while strengthening organizational resiliency and agility during times of crisis.

"[ERM] is not a separate activity with its own objectives but an integral part of the organization's strategy setting and performance processes." — COSO, Creating and Protecting Value, January, 2020.

What can organizations do to fix deeply imbalanced risk management practices and develop more mature risk programs?

The key to building mature risk management programs requires embedding risk into business strategy, breaking through risk management silos, and empowering employees to manage risk with effective tools and resources. This involves:

1. Engaging the C-Suite and Board in ERM Discussions
2. Unifying Risk Management Across Siloed Business Groups
3. Investing in Technology and Training

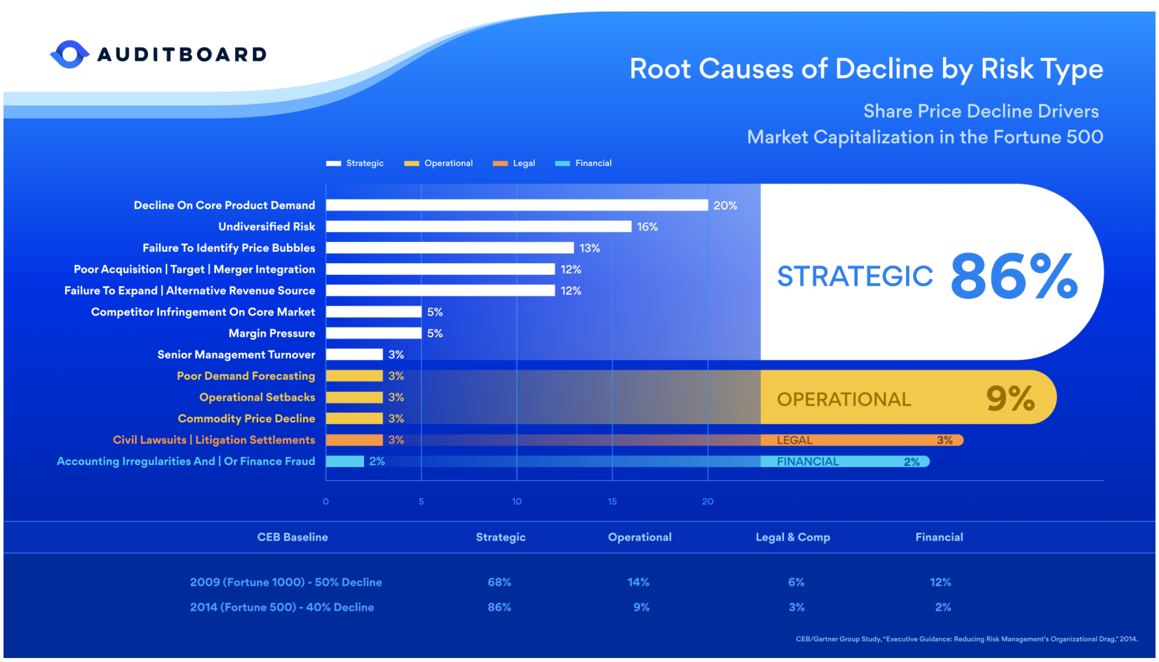
[1] COSO, Creating and Protecting Value, 2020.
[2] Deloitte Insights, Global Risk Management Survey, 11th Edition, 2018.

This guide will explore the keys to success for embedding healthy risk practices into strategy, and provides resources and tools for doing so. Regardless of your organization's current risk maturity level, this whitepaper will help you develop the maturity of your ERM program, empowering your business to cultivate a strong risk culture and achieve its strategic objectives.

Getting Risk Management Right: The Critical Case for Risk Maturity

As the magnitude and complexity of business risks grow, organizations face mounting pressure from Boards and investors to develop their enterprise risk management (ERM) programs. But not all business risks are created equal.

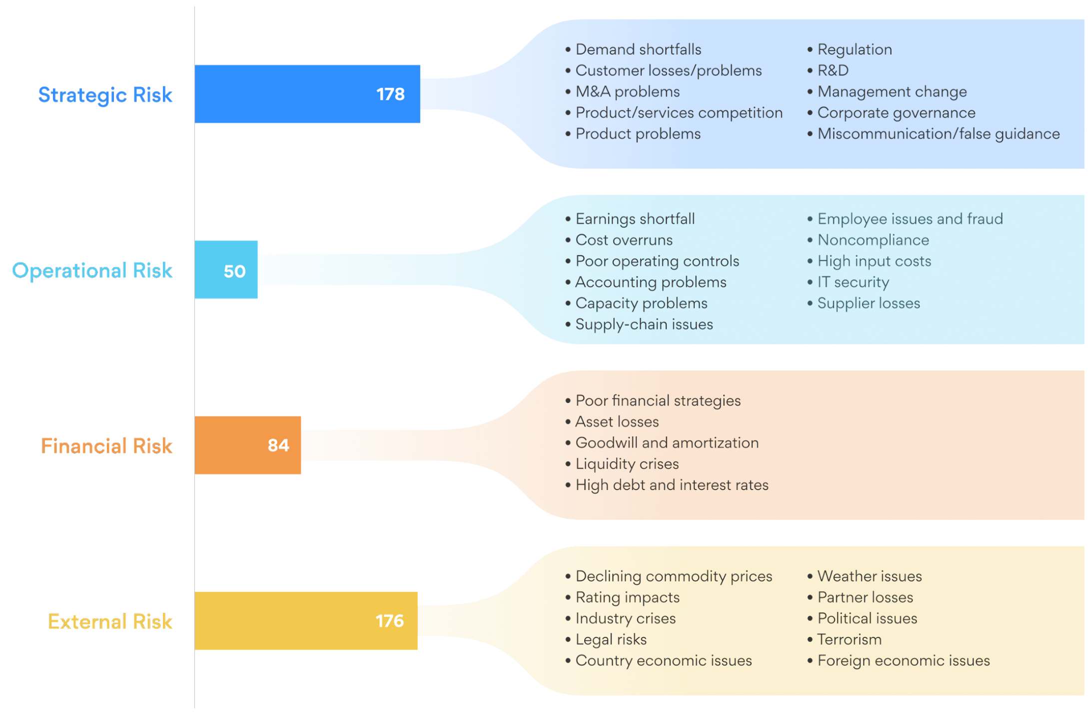
According to a CEB/Gartner study, 86% of significant market capitalization declines from 2004-2014—characterized by a 40% or more drop in share price in a year—were caused by strategic risks, such as product/services competition or declining demand for a core product.[3]



[3] Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.

Deloitte's Value Killers study found the triggering risks behind the largest company value loss events between 2003 and 2012 (~40% of their value lost in a month) were strategic and external risks, with the largest driver being the 2008 global financial crisis. Notably, 90% of companies were hurt by several of those risks working in concert, even if there was a single triggering risk event.[4] There is much to be gleaned from these historical patterns in our current times. For example, an external risk, such as the COVID-19 pandemic, could couple with a strategic risk to set off a cascade of negative outcomes in an organization, leading to significant value losses.

Frequency of risk events across 100 public companies with largest value drops

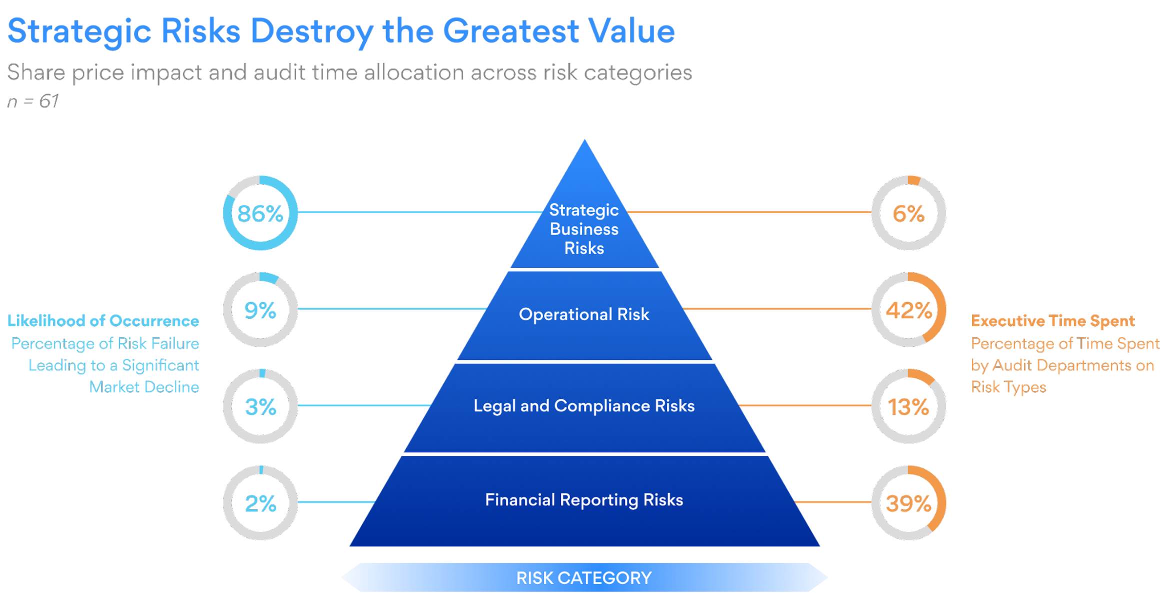


Deloitte, The Value Killers Revisited: A Risk Management Study, 2014.

[4] Deloitte, The Value Killers Revisited: A Risk Management Study, 2014.

A Dangerous State of Imbalance: Focusing on Risk in All the Wrong Places

In light of this information, current risk practices are greatly imbalanced. Organizations today spend a shockingly insufficient amount of time on strategic and external risks. In particular, audit departments spend only 6% of their risk management time on strategic risks, compared to 81% spent on operational and financial risk management activities (though operational and financial risks comprise only 11% of value loss drivers).[5]



Source: Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.

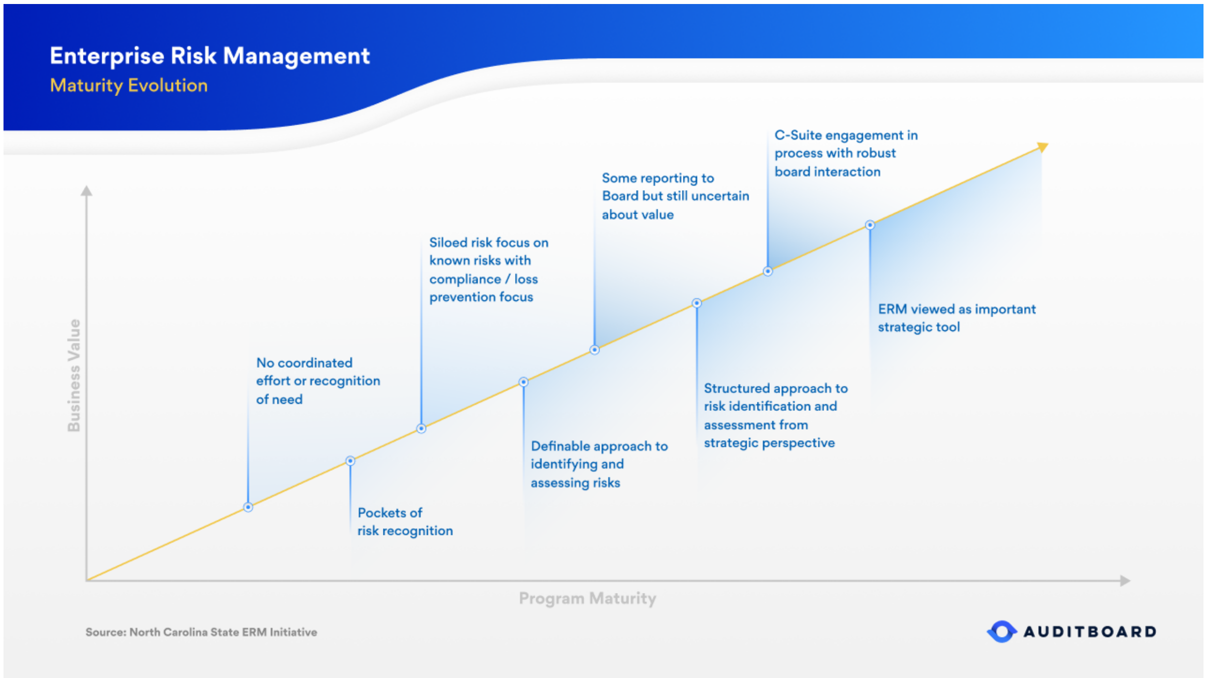
Moreover, a 2018 study found that only 22% of organizations with ERM programs in place described their risk management programs as "mature."[6] Such stark numbers illuminate the greater overarching issue of risk maturity and its effects on organizational success.

[5] Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.
[6] AICPA & NC State Poole College of Management, The State of Risk Oversight, 2018.

Risk Maturity's Impact on Business Success

A tell-tale sign of misguided risk management and low risk maturity is an organization whose leadership team places more focus on risk than reward by applying risk prevention attitudes appropriate for financial and operational risks to strategic risks, creating a culture of risk aversion that hinders growth opportunities.

On the other hand, effective business leaders understand that organizations must take risks in order to be successful in a competitive business landscape. This is why leading companies with mature risk practices have C-Suites who link risk to overall corporate strategy, and view every decision as a risk.[7] The latest research reveals higher levels of ERM program maturity — characterized by robust executive engagement, board engagement, and a risk infrastructure built upon viewing ERM as an important strategic tool — provide the most value to businesses.[8]

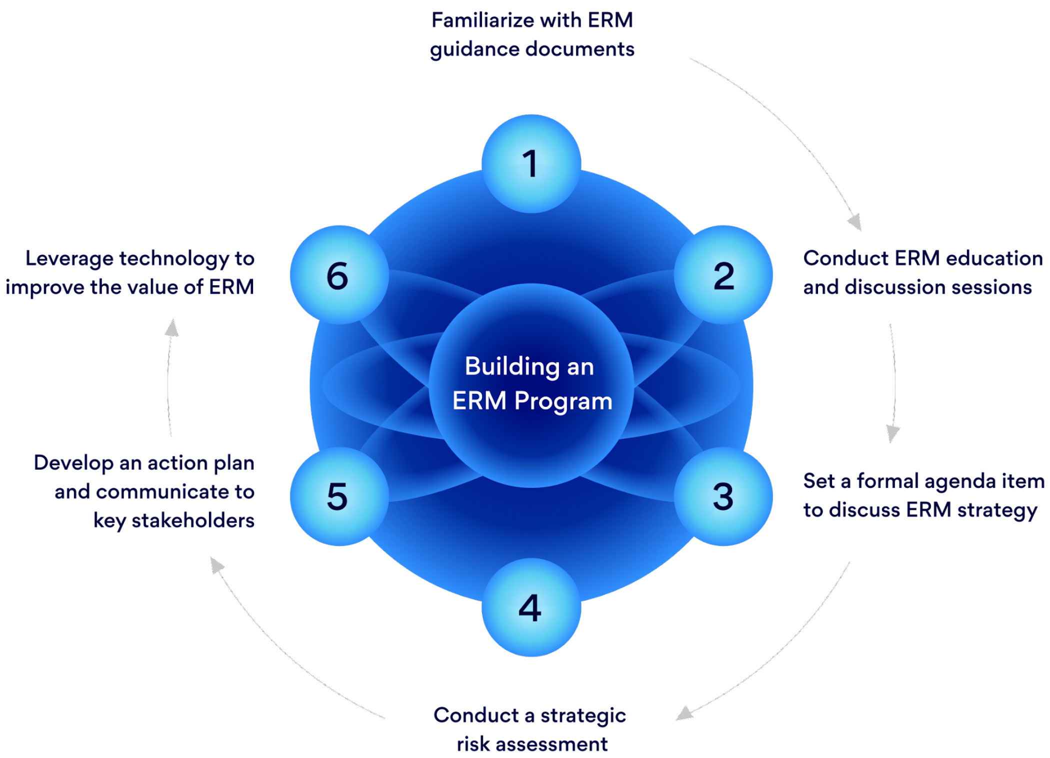


[7] Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.
[8] North Carolina State ERM Initiative

Further, according to the Risk Maturity Index developed by Aon and the Wharton School of the University of Pennsylvania, higher risk maturity ratings are linked to better stock price performance, lower market volatility (and reduced insurance premiums), higher market valuation, and greater organizational resilience in response to key market events.[9]

In short, focusing on **building risk maturity** is the key to effective risk management. It starts with understanding industry frameworks and procedures, and includes educating internal constituents, gaining executive buy-in, and deploying underlying technology to facilitate process.

Steps for Building an ERM Program



[9] Aon, Risk Maturity Index Insight Report, 2017.

Checklist: Building an ERM Program

- ❏ 1. Familiarize with ERM guidance documents, such as:
    - ❏ COSO ERM framework
    - ❏ Creating and Protecting Value
    - ❏ ISO 31000
    - ❏ RIMS Risk Maturity Model (RMM)
    - ❏ The IIA's International Professional Practices Framework (IPPF)
    - ❏ The Open Compliance and Ethics Group's Red Book
- ❏ 2. Conduct ERM education/discussion sessions with the Board and senior management
    - ❏ Establish that the objective of ERM is to help the organization achieve its strategic goals
    - ❏ Communicate the importance of embedding ERM into strategy
- ❏ 3. Set a formal agenda item to discuss ERM strategies, objectives, and expectations
    - ❏ Identify an executive or Board member to drive ERM initiatives
    - ❏ Establish an executive-level risk committee to support the risk leader
    - ❏ Develop a formal risk management charter that includes a risk appetite statement
- ❏ 4. Conduct a strategic risk assessment
    - ❏ Identify key strategies*
    - ❏ Identify risks related to key strategies *
    - ❏ Identify external and emerging risks

      *Leverage resources such as COSO's Strategic Risk Assessment, Return Driven Strategy Model, and Strategic Risk Management Model
- ❏ 5. Develop an action plan and communicate with the Board and senior management.
    - ❏ Use the five risk responses — accept, avoid, pursue, reduce, share — to determine the best response to each key risk
- ❏ 6. Leverage technology to improve the value of the ERM program

Engaging the C-Suite and Board in ERM

Embedding risk into strategy begins with tone-setting at the top. Executive management, with support from the Board, is responsible for clearly establishing and promoting company-wide understanding of the organization's risk appetite — but management may lack awareness of the importance of connecting risk to strategy.

Currently, there is a wide runway for improvement. A 2018 study revealed less than 50% of CFOs and similar-level executives formally consider risk exposures when evaluating new possible strategic opportunities, while only 29% of their Boards discuss top risks in a formal manner when they review the organization's strategic plan.[10]

Risk, audit, and compliance leaders in charge of risk can play a critical role by engaging the C-Suite and Board in discussions that shape and drive a healthy risk culture. Not only does this include identifying and managing strategic risks, but just as importantly, it involves cultivating an appropriate attitude toward risk taking. The following are best practices for engaging the Board and senior management to set a healthy risk appetite at the top.

1. **Identify an Executive or Board Member to Lead ERM Initiatives**

   Companies manage risk differently, so depending on where risk sits at your organization, this individual could be the Chief Audit Executive, Chief Financial Officer, or Head of Strategic Planning. Though some Boards at organizations will create the role of a dedicated Chief Risk Officer, this is not necessary for a successful ERM program. Whoever the chosen risk leader may be, their role, objectives, and influence should dovetail with championing risk management initiatives to the C-Suite and Board. Ideally, this individual will have a direct line to the CEO and be a key player in the organization's strategic planning process so that their influence and leverage is a beacon in leading strategic risk management decisions. Once the risk leader has been identified, it is best practice to establish an executive-level risk committee to assist the individual in driving initiatives.

[10] AICPA & NC State Poole College of Management, The State of Risk Oversight, 2018.

2. **Begin the Enterprise Risk Assessment by Identifying the Organization's Top Strategies**

A strong enterprise risk assessment starts with identifying key organizational strategies and goals. Whether they are defined in strategy setting meetings or in analysis of existing strategies, these top strategies should play a critical role in developing the ERM program.
The appointed risk leader and their team can leverage resources such as the Return Driven Strategy Model from the 2017 COSO ERM framework to effectively identify the organization's top strategies. This first step encourages approaching the risk assessment with a *strategy-centric* attitude versus a *risk-centric* one. This is important because overemphasis on risk-prevention can hinder the business from taking risks that may be important for growth, and breed increasingly risk-averse cultures. Once critical strategies have been identified, then the related key risks may be identified by leveraging the Strategic Risk Management Model from the COSO ERM framework.

COSO's Strategic Risk Assessment Process

1. Understand the strategies of the organization
2. Gather data and views on strategic risks
3. Prepare a preliminary strategic risk profile
4. Validate and finalize the strategic risk profile
5. Develop enterprise risk management action plans
6. Communicate the strategic risk profile and action plans
7. Implement the enterprise risk management action plans

3. **Guide Senior Management in Using the Risk Assessment Process to Drive Strategy**

The enterprise risk survey and interview process produces a preliminary compilation of the risks identified as significant to the company's key strategies. The next step is assessing and prioritizing these risks into a final list the company will focus on. The risk leader and their team should guide executives in discussions to assess which strategic risks are opportunities worth taking, while directing risk management as a protective shield against other risks. It is important to consider external and emerging risks that are not on the current horizon, not actively monitored, and likely to have a material impact in these discussions, as such analysis can give senior management the confidence to pursue opportunities. Risk leaders can utilize tools such as COSO's Strategic Risk Management Model to aid this process.

These dialogues about risk and opportunity are among the most valuable conversations for shaping business strategy, as they unite executives across the entire organization to share their unique perspectives and collectively vet the best strategic decisions. In adopting a strategy-centric perspective when guiding risk assessment conversations, risk leaders play an important role in helping to instill a balanced risk appetite across the C-Suite, which then trickles down throughout the rest of the company.

4. **Facilitate Risk Management Exercises with Executives**

When the strategy planning months are over, engaging executives in frequent ERM exercises is an effective way of continuing to reinforce risk appetite throughout the year. Two examples are tabletop exercises and risk interdependency exercises.

- **Tabletop exercise.** Host a quarterly working session for executives and risk owners to walk through a realistic scenario that could impact the company's strategic goals, for instance, an external risk or black swan event (high impact, low probability, and not actively monitored). Working through this hypothetical scenario can help reveal gaps in existing processes, initiate action to fortify mitigation activities, and form more robust action plans for those scenarios.

- **Risk interdependency exercise.** Guide a discussion between executive risk owners with related key risks to ascertain whether their mitigation activities are helping, hurting, or neutralizing the other's risk. This exercise is an opportunity to consider interdependencies, revise efforts accordingly, and create more robust action plans. A best practice for facilitating an efficient and effective dialogue can be assigning homework ahead of the meeting. Ask each risk owner to submit their mitigation activities and have the other risk owner rate how those activities affect their own risk mitigation efforts on a heat map.

5. **Start Simple, Educate, and Build**

   It is impossible for risk leaders to build a mature ERM program in a day, so take it step by step. Introducing every best practice at once can be overwhelming, especially for executives who may have differing perceptions about ERM's objectives and benefits. Guide executives and the Board through the learning curve of ERM by taking every opportunity to educate them about the benefits of a mature ERM program. At every stage, clearly define the value of whichever risk management topic or activity you are involving them in at the outset. COSO provides examples below of incremental action steps internal audit and risk leaders can take to educate executives.

ERM Actions and Their Related Benefits

Incremental Action Step	Benefit Received
Perform an assessment of the key risks related to the core strategies of the organization and prepare a report to the board showing the strategies and related risks.	Board and senior management see and discuss, often for the first time, a consensus view of the risks related to their core business strategies. This builds a common understanding and tangibly demonstrates the relationship between strategies and risks.
Prepare a strategy map reflecting the organization's business objectives, the related business strategies and risks and the existing risk management activities of the organization. Use the strategy map to identify gaps in the existing ERM activities.	The strategy map and analysis will provide transparency to existing risk management activities and provide management and the board a starting point for discussions on the risk management activities and opportunities to enhance those activities.
Different business units and staff functions within an organization may be using different definitions or terminology related to risks. Develop a common taxonomy or definitions of risks that would be used consistently by all units across the organization.	A common risk language will facilitate enterprise wide assessments and reporting of risks and risk activities. It also can provide consistency in how units assess and report on risk and the sharing of risk related information and data it facilitates the establishment of an enterprise risk culture.

Source: COSO "Creating and Protecting Value: Understanding and Implementing Enterprise Risk Management," 2020

Checklist for a Collaborative ERM Process

- Develop a formal risk management charter, include a risk appetite statement approved by the Board
- Link the audit plan and the enterprise risk assessment
- Streamline usage of risk management guidance resources
- Establish a universal appendix for risk definitions
- Cross-leverage available resources frequently
- Present a united front to senior management and the board
- Assess strategic risks
- Assess correlated and interdependent risks
- Leverage technology to centralize ERM efforts and streamline collaboration

7 Ways to Unify Risk Management Across Business Groups

THE CHALLENGE

Risk management, internal audit, and compliance teams' roles and responsibilities often intersect as part of broader enterprise risk management activities. These business groups, however, often perform duplicative risk assessment activities with limited interaction or collaboration. Such siloed and uncoordinated processes can lead to inefficiencies and redundancies that compromise the overall value of ERM initiatives. Moreover, siloed risk management practices often fail to account for correlated or interdependent risks, creating major vulnerabilities that can surface during high-impact, low-frequency risk events, such as the Coronavirus (COVID-19) pandemic.[11]

THE SOLUTION

Organizations that cultivate a collaborative alliance between their risk, compliance, and internal audit teams see greater alignment, coordination, and impact of their ERM programs. This can increase the value of ERM results, lead to more cost-effective risk management strategies, and contribute to a stronger risk maturity level.[12] The following are seven guidelines for aligning Risk, Internal Audit, and Compliance:

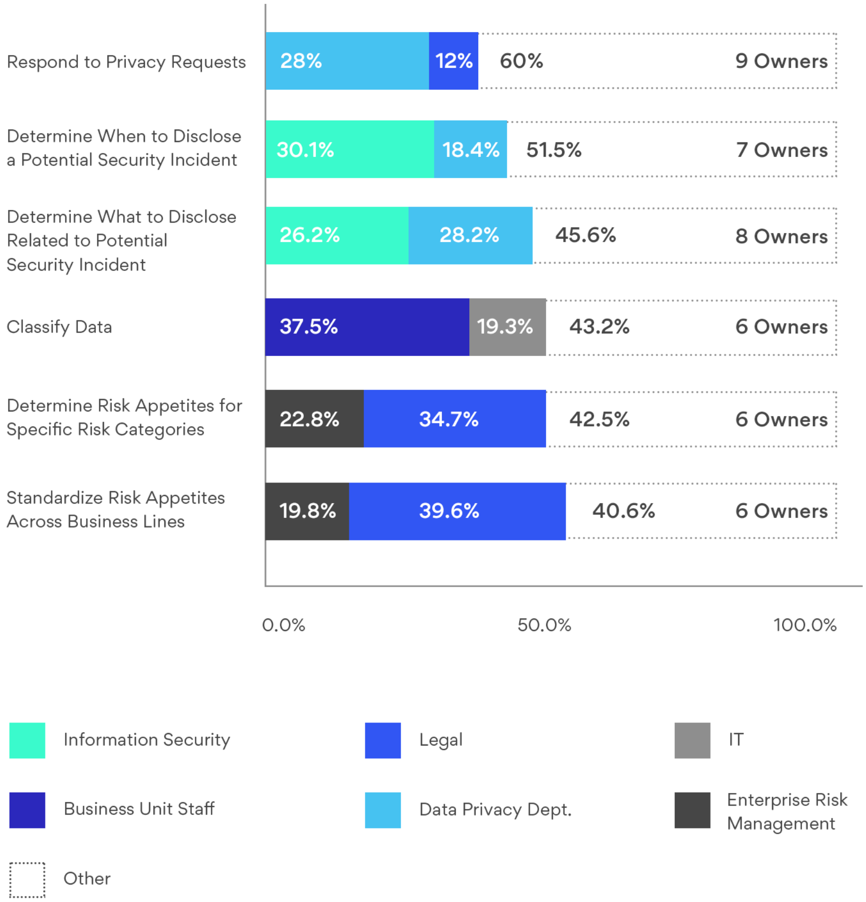
1) **Establish a Formal Risk Management Charter**

   Clearly defining risk management roles and responsibilities for risk, internal audit, and compliance teams establishes accountability and creates a direct line of communication between the business groups. A good place to begin is by developing a formal risk management charter that outlines risk management roles and responsibilities, and delineates specifically when and how internal audit and compliance will be involved.

[11] Deloitte, The Value Killers Revisited: A Risk Management Study, 2014.
[12] Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.

Unclear Ownership Creates Organizational Drag

Percentage of information Risk Activities "Owned" by Each Function
n = 88 Chief Audit Executives.



Source: CEB/Gartner "Reducing Risk Management's Organizational Drag"

For example, the charter at TD Ameritrade names internal audit responsible for assurance and attestation (versus a consulting and partnering role) of risk management's effectiveness, based on the ISO 31000 standard.[13] Risk charters will look different from business to business, depending on how existing risk-related roles and responsibilities are divided among business groups. The risk charter is also a place to include a formal risk appetite statement outlining the appropriate level of risk for business decisions. The importance of this statement should not be overlooked: Deloitte's 2018 global risk management survey found that since the 2008 financial crisis, nearly 90% of organizations surveyed had developed a risk appetite statement, approved by the board, to provide guidance for senior management when making business decisions.[14]

The process of establishing the charter also provides the opportunity to streamline usage of risk management resources — e.g. the COSO ERM framework, ISO 31000, The IIA's International Professional Practices Framework (IPPF), the Open Compliance and Ethics Group's Red Book — and make necessary changes. For instance, the risk charter writing committee may decide to commit to a single, unified framework, whereas before, risk, internal audit, and compliance may have referenced three different (and in some cases conflicting) frameworks. The charter can also include a universal appendix of risk definitions and a unified taxonomy. This can include outlining how the organization defines inherent risks, residual risks, and strategic risks, in order to further unite risk perspectives and eliminate differing interpretations that may affect risk initiatives.

2) **Leverage ERM in the Audit Plan Risk Assessment**

Two of the most important risk oversight deliverables from risk management and internal audit are the enterprise risk assessment (ERA) and the risk-based audit plan, respectively. Both involve surveying risk stakeholders via annual (sometimes more frequent) risk assessments to identify the organization's key risks. When internal audit and risk groups do not coordinate these processes, this can lead to differing definitions and perspectives regarding risks.
The act of linking the audit plan risk assessment and ERA inherently requires internal audit and risk teams to work together, helping to eliminate redundancies in identifying key risks while providing assurance that risks are being documented in a consistent way. Over time, this

[13] RIMS & IIA, Risk Management and Internal Audit, Forging a Collaborative Alliance, 2012.
[14] Deloitte Insights, Global Risk Management Survey, 11th edition, 2018.

contributes to a more aligned view of the organization's risk profile and a more consistent risk taxonomy. The following are examples of leading companies that successfully link their audit plan risk assessments and ERAs:

a) Cisco Systems uses a consolidation of their ERA and internal audit's annual risk assessment to drive their 18-month audit plan.
b) Hospital Corporation of America (HCA) includes a slide in their annual audit plan presentation to the Audit Committee mapping the top 10 risks resulting from their ERA process to their audit plan.
c) TD Ameritrade leverages findings from the ERA process to build its audit plan.
d) Whirlpool's internal audit team uses the ERA to inform its annual risk assessment process and links it to their audit plan.[15]

3) **Leverage Cross-Department Resources Wherever and Whenever Possible**

Once roles and responsibilities have been clearly defined, a best practice is to then share resources across departments where applicable. By bringing in resources from other departments, groups are able to take best practices from one another as they adapt and optimize their approach. Sharing of resources not only improves communication, but it results in teams taking a much more holistic approach to their risk assessment as they consider different perspectives. For example, the risk management team may focus too heavily on the impact a certain risk might have if it were to materialize, while the internal audit team may encourage them to factor in likelihood. In other companies, the internal audit team is much larger than the dedicated risk management team, so in some cases it comes down to helping alleviate resource constraints.

[15] RIMS & IIA, Risk Management and Internal Audit, Forging a Collaborative Alliance, 2012.

4) **Present a United Front**

When presenting outcomes of the ERM process to senior management and the Audit Committee, highlighting any collaboration between internal audit and risk groups can lend extra credibility to the presentation. For instance, if the broader integrated risk management group can convey a link between risk management and internal audit, it can help boost the perception that ERM efforts are independent, objective, and professional. One way teams are able to convey this is to identify sections of the ERA where peer reviews were performed by other departments (e.g., internal audit has reviewed and commented on risk management's assessment).

5) **Assess and Monitor Strategic Risks Together**

86% of significant market capitalization declines in the last decade were caused by strategic risk events.[16] Moreover, both the Institute of Internal Auditors (IIA) and the Risk and Insurance Management Society (RIMS) have urged their members to focus on managing strategic risks. While organizations may define strategic risks differently, the commonality is that businesses consistently rank strategic risks with the highest impact and lowest strength of controls. By coordinating their approach to assess and monitor strategic risks, risk management, internal audit, and compliance groups can better address the most significant risks to their key objectives and recommend integrated solutions to manage them.

6) **Focus On Correlated and Interdependent Risks**

90% of companies who experienced the largest value loss events of the last decade were hurt by several risks that worked in concert to expose their organizations' biggest strategic, operational, or financial weaknesses.[17] When teams take an integrated approach, they can more effectively identify overlapping risk areas and better understand the larger risk environment. For example, certain risks on their own may not surface in the Top 10 risks

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[16] Corporate Executive Board | Gartner, Reducing Risk Management's Organizational Drag, 2014.
[17] Deloitte, The Value Killers Revisited: A Risk Management Study, 2014.

category, but when these risks are aggregated, teams are able to identify broader trends and the consolidated risk profile becomes clear. This process of aggregating risks allows teams to be more efficient when building their mitigation plans, which helps provide greater levels of assurance when reporting on the overall effectiveness of ERM efforts.

7) **Leverage Technology to Centralize ERM Efforts and Streamline Collaboration**

Managing risk across a large organization can be complex and involve many moving parts. Trying to keep up with a constantly changing business landscape while keeping all stakeholders up to speed can be time consuming and inefficient without the right technology stack. Investing in an intuitive, integrated ERM solution can help your organization maximize collaborative efforts between internal audit, risk, and compliance groups by centralizing all risk management activities in one place. What separates more advanced ERM solutions from traditional, legacy GRC tools is their ability to:

- Facilitate collaboration between different risk management stakeholders
- Drive user adoption through more intuitive user interfaces
- Integrate risk activities to create greater alignment between audit, risk, and compliance groups and improve decision making
- Integrate with existing audit and control activities, saving time and eliminating duplicate records

The next section will describe the benefits of leveraging technology to improve the value of ERM in more detail.

Leveraging Technology to Improve the Value of ERM

Many organizations manage their enterprise risk management programs using a combination of email, survey tools, Excel, in-person interviews, and governance, risk, and compliance (GRC) solutions that were not designed with the end user in mind. These disconnected processes result in a taxing amount of administrative work spent managing decentralized files. Teams often spend more time reconciling discrepancies or consolidating results for reporting than they do analyzing the results; as a result, the overall quality of the ERM program is diminished.

While risk management is usually one of the last departments to adopt technology to drive automation, modern risk leaders are eager to enhance the quality of their technology infrastructure to drive more efficient, effective ERM programs.[18] However, they are often hamstrung by decisions made in other departments, and work under directives from executive leadership to leverage tools they already have. Consequently, they are often stuck with legacy GRC systems with unintuitive risk management add-ons instead of solutions purpose-built for risk management. This often forces risk leaders to go through extensive internal discussions to obtain executive sponsorship for a solution that may appear a "nice-to-have" to some, but in practice, should be considered a critical business application.

What separates the best ERM solutions from the rest?

The answer lies in intuitive design and features that unite audit, risk, and compliance groups to perform their jobs more efficiently while maximizing collaboration. Indicators of mature ERM applications include:

- Secure, cloud-based platform that requires little to no in-house IT support
- Unlimited data storage and user licenses to help increase the impact of the solution
- 24/7 availability and support

[18] Deloitte, Global Risk Management Survey, 11th edition, 2018.

Beyond this foundation, the best ERM solution will:

Centralize Risk Management

When risk management is performed in silos, organizations lack a centralized view of real-time risk data across the enterprise. A modern ERM solution is designed to consolidate all risk management activities in one platform, naturally eliminating silos and reinforcing alignment and collaboration. When evaluating a solution, ensure:

- The implementation process encourages standardization of risk language across the organization
- The solution provides a centralized risk register, increasing the accessibility of accurate risk data
- The solution helps standardize and unify risk scoring methods across risk, audit, and compliance groups
- The solution is cloud-based, with automatic updates and improvements rolling out without any IT disruption
- The solution leverages a relational database — updates made in one place cascade throughout the entire platform — allowing it to become the real-time risk register
- The solution seamlessly integrates with audit information, saving time and eliminating duplicate records
- The solution leverages risk data to prioritize audits and create and monitor action plans

Automate the Risk Assessment Process

In a manual environment, the risk assessment process is time-consuming and complex, which can produce unreliable results. A modern ERM solution will automate the risk assessment, saving time while producing results the risk team can rely on. When evaluating an ERM solution, be sure to look for the following features:

- Ability to create and simultaneously send multiple surveys and interview templates
- Easy-to-use interface to increase adoption and engagement from risk owners
- Automatic risk assessment survey email reminders
- Current/prior year comparison of risk assessments
- Real-time residual risk scoring built into risk assessment surveys with configurable calculation criteria
- Control strength scoring built into risk assessment surveys
- Single source of truth eliminates duplicate risk assessment activities by different groups

Provide Visibility Into Risk Trends and Mitigation Activities

Oftentimes, collecting Action Plan status updates and getting a real-time view of risk trends and control effectiveness is inhibited by manual risk management, tracking, and reporting methods. A good ERM solution will provide a clear view of the top enterprise risks, any relevant trends, and insight into your company's risk appetite with:

- Dashboard visibility into top residual risk scores and mitigation status for those risks
- Ability to rank risks from a single page view
- Heatmap dashboards that allow teams to identify and visualize top risks
- Key risk indicator monitoring and early warning indicators
- Automatic action plan creation and assignments
- Built-in action plan workflow
- Executives and the Board can see real-time data and visualizations in dashboards

ERM is a collaborative, cross-functional effort that requires modern technology to execute effectively at each stage. How organizations choose to leverage technology can have a significant impact on the quality and impact of their risk management efforts. The ultimate ERM solution will help the organization identify and focus on its top risks, improve dialogue and communication across silos, and drive mitigation activities. An intuitive interface will leverage modern UX principles and cloud technology to promote adoption across the enterprise. Workflows that facilitate the collaborative nature of today's integrated risk management programs will increase engagement and ownership. Visibility into the status and strength of mitigating activities will integrate risk activities to create greater alignment between audit, risk, and compliance and improve decision making. In turn, this helps organizations of any size gain a complete view of risks to effectively manage them, which ultimately increases the likelihood of business success.

Conclusion

Now, more than ever, audit, risk, and compliance leaders can help organizations achieve their strategic goals and strengthen organizational resilience and agility by unifying around mature risk management practices. Risk leaders are most effective when they actively engage executive leadership to identify, assess, and respond to the organization's top risks from a strategy-centric approach. Organizations achieve more valuable ERM results when audit, risk, and compliance teams break through risk management silos and align their risk management perspectives and efforts. Ultimately, the key to doing so is by leveraging the right technology solution that can effectively centralize risk management efforts in one platform, improve dialogue and communication across audit, risk, and compliance teams, and help the organization identify and focus on its top risks while driving mitigation activities.

Learn how AuditBoard's RiskOversight risk management software can help you elevate and integrate your risk management programs in a highly integrated, visual, and intuitive way by requesting a product walkthrough at www.auditboard.com.

SEE YOUR RISKS IN FULL COLOR.

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Contact Us

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AUDITBOARD

About AuditBoard

AuditBoard transforms how audit, risk, and compliance professionals manage today's dynamic risk landscape with a modern, connected platform that engages the front lines, surfaces the risks that matter, and drives better strategic decision-making. More than 25% of the Fortune 500 leverage AuditBoard to move their businesses forward with greater clarity and agility. AuditBoard is top-rated in audit management and GRC software on G2, and was recently ranked as one of the 100 fastest-growing technology companies in North America by Deloitte. To learn more, visit: www.auditboard.com.