

Enterprise Risk Management Solutions

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Enterprise Risk Management (ERM) has gained a renewed focus and relevance in the wake of the current economic environment. The Federal Government is now facing unprecedented levels of risk and adding to the complexity of managing risk is the rapid pace of change, global interdependence and the increasing speed of information flow. Advancements in technology have spawned new operational models that drive these changes; as well as new threats, ranging from data vulnerability to the viral spread of reputational damages via social media.

As a result of these escalating risks, Federal Agencies are now faced with both increasing demands for transparency into risk profiles and greater penalties associated with the failure to manage key risks. As the bar rises, managing risks in silos with conventional risk management frameworks is no longer seen as acceptable. Survival and success in this uncertain environment demand risk resilience — being able to anticipate and adapt to change; absorb and recover from a broad range of risk events; and seize the opportunities hidden within those risk events.

So how can your ERM program become more risk resilient? You don't necessarily need a new form of ERM to achieve organizational resilience, but you will need to make sure its operation reflects the dynamic and unpredictable nature of the risk and wider business environment you face.

PwC offers solutions that help Federal Agencies implement and mature ERM solutions so that they are equipped to deal with these complex, dynamic environments and to move towards resilient and forward-looking approaches. As the co-author of the widely-adopted *Internal Controls Integrated Framework for the Committee on Sponsoring Organizations (COSO)* and the companion *Enterprise Risk Management Integrated Framework (COSO 2)*, our ERM approach is based upon our firm's integrated risk management methodology. This includes service offerings that combine our in-depth knowledge and experience with Federal Agency regulations, our commercial and Federal experience with ERM implementations, and our market-leading experience with Governance, Risk, and Compliance (GRC) technologies.

A Holistic Approach to Building a Resilient Organization



What is Enterprise Risk Management?

Enterprise Risk Management (ERM) is a comprehensive, systematic approach for helping all organizations, regardless of size or mission, to identify events and measure, prioritize, and respond to the risks challenging its most critical objectives and related projects, initiatives, and day-to-day operating practices. ERM is not limited to one event, circumstance, or function. It is a dynamic, collaborative process that unfolds over time and permeates every aspect of an organization's mission, goals, resources, and operations. It involves individuals at every level and requires applying a portfolio view of risk across the entire organization. By embedding risk management techniques into day-to-day operations, your organization can be better equipped to identify events affecting its goals and to manage risks in ways that are consistent with your risk appetite.

ERM Value, Impact, and Benefits:

- **Build Risk Resiliency into Your Organization** – Develop the risk resilience needed to adapt to the speed, connectivity, and contagion of unfolding events.
- **Stay Ahead of Issues** – Create a structured, consistent approach to enhance the organization's capacity to proactively identify, assess, and manage risks affecting mission success; and enable forward-looking risk resiliency.
- **Seize Opportunities** – Help management identify and take advantage of positive events quickly and efficiently.
- **Support Continuous Process Improvement** – Drive business process improvements and cost savings by continuously scanning risk environments, evaluating process and control effectiveness, and implementing corrective actions.
- **Support Internal Decision Making** – Supply leadership with robust risk management data, performance metrics, and dashboards for decision making that is reliable, timely, and relevant.
- **Enable Transparency** – Enhance visibility into risk profiles and performance through improved transparency.

How Can PwC Help?

PwC's ERM solutions provide a thorough approach to managing risks, achieving organizational resilience, supporting agency objectives, and meeting regulatory compliance requirements. Our objective is to work with organizations to customize ERM programs that can be used repeatedly, and that are built into the organization's fabric. PwC's in-depth experience and proven service offerings are effective solutions that help organizations evolve their ERM capabilities, from the initiation of a strategic ERM program to the transformation of ERM practices to integrate and achieve risk resilience.

We can help you:

- Design and assist in development, implementation, management, and maturation of an ERM program.
- Develop the risk resilience needed to adapt to dynamic, more complex business environments.
- Identify and assess risk to the achievement of your business objectives.
- Assess the effectiveness and efficiency of current risk responses and/or risk culture against the full breadth of strategic, reputational, operational, compliance, financial, and reporting risks.
- Reduce cost and improve operational effectiveness through the use of our integrated Governance, Risk and Compliance (iGRC) activities and technologies.
- Leverage ERM to stand up and transform new programs and operations.
- Improve risk, performance metrics, and reporting functions to enable robust, risk-based decision making.

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