

## ENTERPRISE RISK MANAGEMENT CURRENT STATE ASSESSMENT



In today's business environment, managing risk across the enterprise is vital to your organization's long term viability. Regulatory bodies and credit rating agencies have increasingly focused on and elevated the importance of good risk management practices, including enterprise risk management (ERM). ERM is a structured, consistent, and continuous risk management process that is applied across an entire organization, allowing you to better understand and address your material risks. ERM is an essential part of creating and maintaining operational efficiency, developing organizational resilience, and adding economic value. It is an integral part of the strategic planning and corporate finance activities that may result in less volatility in earnings and cash flow and therefore potentially better credit. ERM is also an important component of a robust corporate governance structure. Marsh Risk Consulting's (MRC) ERM Current State Assessment is designed to help you better understand and more effectively manage ERM processes to help protect or potentially improve your organizational resiliency.

### SERVICE HIGHLIGHTS

MRC's ERM Current State Assessment is a flexible, scalable approach to helping management benchmark against specific credit rating agencies' ERM guidance and industry-wide best practices. The Current State Assessment is designed to assist

you with identifying gaps that may exist in your current ERM program in an effort to increase your likelihood for receiving a satisfactory credit rating or to enhance your current ERM program.

### Who it's for

Any size organization in any industry that:

- Issues debt or equity rated by credit rating agencies and is seeking to protect or improve its credit rating.
- Wants to benchmark and potentially improve existing risk management processes relative to relevant guidelines and standards.
- Wants an independent assessment of its ERM program.
- Is looking to establish a baseline to coordinate, embed, and formalize risk management efforts across the enterprise.

### What you get

- A gap analysis of your current ERM program.
- A "report card" of where to focus your future ERM improvement efforts.
- MRC's expertise in ERM implementation, risk analysis, organizational change, and risk technology.

## ASSESSMENT OF CURRENT ERM INITIATIVES

MRC will review your current ERM infrastructure against best practices and industry standards. A review typically examines:

- Risk management frameworks or structures currently in place.
- Roles and responsibilities for risk management.
- Timing and lines of ERM reporting and communications.
- Thoroughness of your ERM policies.
- Utilization of tools, models, and quantification techniques.
- Senior management's view of risk, risk tolerance, and its impact on your company.
- The frequency and nature of your risk identification and monitoring process.
- Risk management training and risk escalation processes.
- The role of risk management in strategic decision making, budgeting, and other business processes.

## ERM PROGRAM DESIGN AND IMPLEMENTATION

The Current State Assessment process can be expanded to include implementation of recommended strategies designed to improve your organization's ERM infrastructure. Expansion work may include assisting in the design of an ERM program, creating an appropriate governance model, developing risk assessment policies and procedures, and/or implementing any necessary risk controls.

Benefits can include:

- Creation of an effective governance model that includes best practices for reporting and communication.
- Enhancement of the implementation of risk assessment protocols.
- Integration of risk management activity into control and compliance frameworks.
- Alignment of risk management and strategic agendas.

For more information on these and other solutions from Marsh Risk Consulting, visit [www.marshriskconsulting.com](http://www.marshriskconsulting.com) or contact your local MRC or Marsh representative.

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