Example ERM Capability Model

Foundational	Standardized	Integrated	Sustaining
• "Tone at the top" is set • ERM Governance & Operating Model defined & implemented • ERM Liaisons established within business units • Operating unit risks are included in unit performance reporting and / or other governance processes • Initial high-level enterprise risk identification & assessment performed • Enterprise risk training provided to key ERM stakeholders	• Process to set risk appetite • Strategic Goals developed • Key ERM policies & procedures developed • Enterprise Risk Assessment Framework developed & assessments occur annually • RM guidance, standards, tools, & templates provided • Framework provided for considering risk in key business decisions • KPI & KRI Guidance provided • Risk training / communication provided to all employees	• Risk appetite defined at enterprise level • Business objectives aligned to Strategic Goals • Enterprise risk information informs the agency's and units' Strategic Planning Processes • Scenario analysis is used to identify risks • Stand-alone risk assessment processes connect to enterprise risk assessment through business unit risk registers • Framework to consider risk in key business decisions is widely adopted • Enterprise risk responses are determined in alignment w/ appetite & strategy • Enterprise KPIs & KRIs are defined and monitored • Tone at the middle is supportive of ERM & RM	• Enterprise Risk Assessment cycle is integrated with the agency's Strategic Planning Process • Enterprise risks identified, assessed & reported timely • Risk considered as part of daily business decisions • Policies, procedures, & processes at all levels reflect risk appetite & strategy • Effectiveness of mitigations (e.g. A-123 and other testing) considered as part of Integrated Strategic Planning & Risk Assessment Cycle • Enterprise KPIs & KRIs are actively monitored in the context of risk appetite and tolerance • ERM Program performance actively monitored • Consistent risk identification and assessment processes are integrated throughout the organization