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Enterprise Risk Management (ERM) -

Perspectives from the International Development Sector

Reginald W. Mitchell
Chief Financial Officer and ERM Secretariat
United States Agency of International Development

Risk Culture: Tone From the Top





USAID
ENTERPRISE RISK MANAGEMENT
NEWSLETTER
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USAID's Chief of Staff Bill Steiger talks ERM

Chief of Staff Bill Steiger introduces ERM and the importance it has to programmatic and operations efficiency and effectiveness. As USAID continues to mature and institutionalize the ERM governance structure and risk profile process, building support for and better understanding of ERM will be a key focus.

Watch the video

PROGRAM CYCLE

Technical Note: Enterprise Risk Management in the Program Cycle



This Note describes considerations for integrating a holistic approach to risk management, known as Enterprise Risk Management or ERM, throughout USAID's Program Cycle.

Introduction

Embedding an Enterprise Risk Management (ERM) approach in the Program Cycle — from the development of strategies, projects and activities, to subsequent implementation, and monitoring, evaluation and learning — can help USAID manage uncertainty to maximize the likelihood of achieving development success. This Technical Note highlights “touchpoints” — specific Program Cycle documents and processes — where ERM can be integrated.

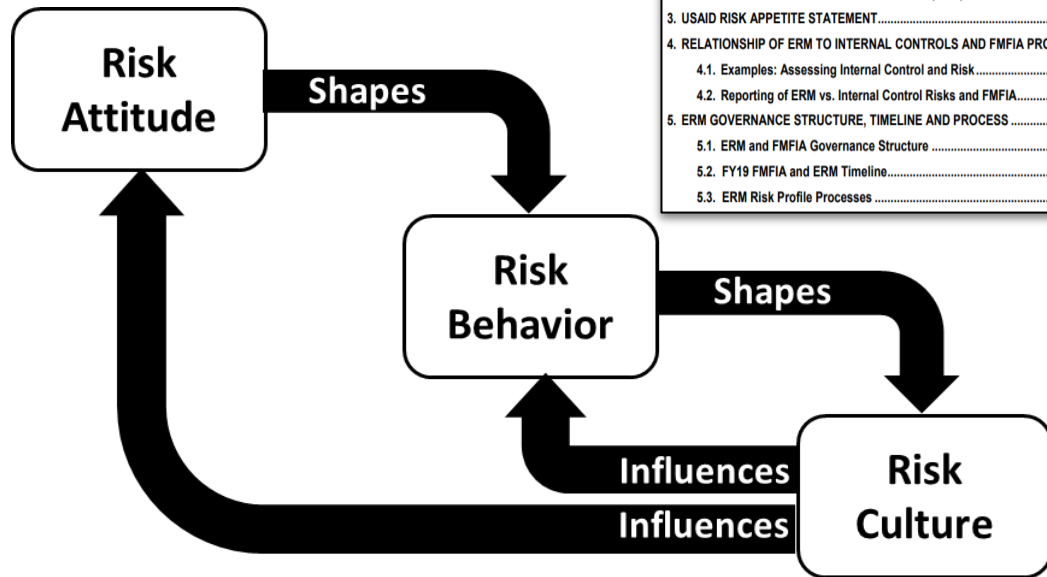
Since most Program Cycle processes (as described in [ADS 201](#)) take place on a country or regional level, this Note is targeted to mission staff. However, most of the tips and guidance herein can be applied by operating units in Washington as well.

BACKGROUND

ERM is a best-in-class approach to addressing risk that is now required by the Office of Management and Budget (OMB) of all federal agencies (see [OMB Circular A-123, as revised in 2016](#), and [ADS 326\(m\)](#)). ERM takes traditional risk management to a new level in that it:

- Balances both opportunities and threats. Under an ERM approach, the goal is not to reduce or avoid all risk, but rather to take advantage of opportunities, while reducing or mitigating threats.
- Addresses the full spectrum of risks. ERM considers both internal and external key risks and offers an approach for understanding the combined impact of these risks as a “portfolio”, rather than just individually.

Technical Notes provide key concepts and approaches to USAID staff and partners related to the Program Cycle. These documents are published to



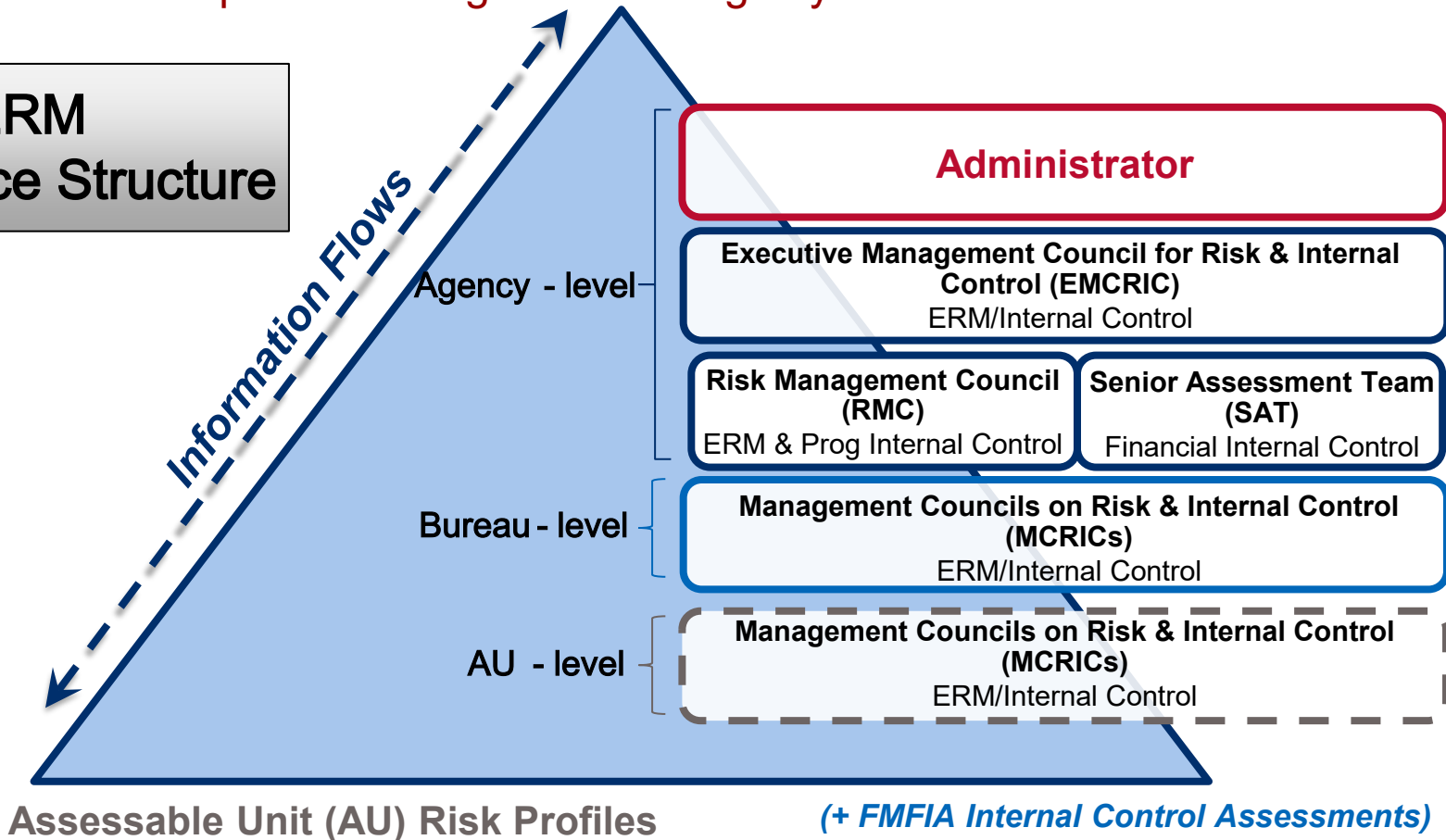
| ERM Risk Profile Implementation Guidance | |
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“ERM Champions”

AGENCY RISK PROFILE

provides insight to trending key risks and themes

USAID's ERM
Governance Structure



THANK YOU!

Contact:

Office of the Chief Financial Officer
(CFO)

erm@usaid.gov
