



Crowe ERM Simplified for Financial Institutions

The Tools to Build a Sustainable Program

Enterprise risk management (ERM) provides a road map for management to effectively deal with uncertainty. Although ERM is an established practice in a number of organizations, many financial institutions struggle with the complexities of information overload, a lack of standards and guidance, and how to apply ERM principles consistently and effectively.



Successful ERM programs identify risk and opportunity, provide assurance for stakeholders, and enhance capabilities to build overall value. Rather than just a regulatory necessity, ERM is most effective when it is fully embraced and embedded into the strategy, culture, systems, and processes of the company.

According to a recent online poll of more than 500 business executives conducted by Crowe, 48 percent have several formal ERM initiatives in progress. However, 33 percent are just beginning to develop an ERM program.¹

Streamlining ERM Complexity

Crowe can help address the challenges of developing an ERM approach for your unique organization. Our **ERM Simplified** toolkit is designed to provide an easy-to-use option for integrating the necessary components while minimizing both expenses and the burden on your valuable resources. These tools can assist your institution in designing and deploying a compliant program using a sustainable approach.

Crowe Sustainable ERM Framework

When used as part of your overall efforts, the Crowe Sustainable ERM Framework can help integrate risk management practices into the deepest levels of corporate culture. As a result, board and management are engaged, and organizations can accelerate their efforts in achieving genuinely sustainable outcomes.

Executing With Talent and Tools

Crowe understands the importance of tailoring an ERM approach to each individual institution, and our solution consists of documents and templates that satisfy most regulatory requirements. The **Crowe ERM Simplified** toolkit includes a block of consulting hours to assist you in designing, implementing, and customizing your ERM function. Crowe subject matter specialists will:

- Perform a gap assessment to help establish a project plan and timeline. As part of this process, your Crowe team will work with you to review existing ERM capabilities and provide feedback about the effectiveness of your current approach. The resulting road map will help you determine priorities and serve as a guide for implementing improvements.
- Provide training on the use of each tool, including an overview, expected use, and best practices for implementation. Our specialists will also provide guidance on how to tailor the tools for your unique needs.
- Work with you to execute a pilot risk assessment for training purposes.
- Review your customized ERM tools throughout the implementation process.

Achieving Sustainable Enterprise Risk Management

Developing an ERM program is a continuous process. Even organizations with mature ERM programs recognize the need to monitor and update their policies and procedures as threats in the risk environment change. **Crowe ERM Simplified** provides the tools to help streamline the development of a sustainable program, including:

- Components linked to the organization's strategy, culture, and values
- Comprehensive, repeatable processes for identifying, assessing, and managing risk
- Roles and responsibility assignment for long-term governance
- High-value program elements designed to promote better management decision-making
- Methods to enhance monitoring and reporting processes

Crowe ERM Simplified Toolkit Program Assessment and Road Map

- Maturity and gap assessment tool
- Project plan and timeline for addressing gaps
- Risk management framework examples
- Governance structure, including samples of:
 - Board of directors risk committee charter
 - Management risk committee charter
 - Risk committee structure
 - Chief risk officer job description
- Framework methodology, including samples of:
 - ERM policy
 - Risk committee roles and responsibilities
 - Risk definitions
 - Risk appetite statement
 - Connections to strategic plans
 - Formalized structure for identification and monitoring of business line risk
- Risk assessment process samples
 - Risk assessment formats by category and business line
 - Risk universe
 - Role assignments
 - Pilot guidelines
 - Timelines
 - New product/process development form with ERM considerations
- Reporting samples
 - Monitoring and reporting mechanisms with examples of key performance indicators (KPI) and key risk indicators (KRI)
 - Board reports and management reports
- Communication and training materials
 - Board training presentation
 - Management/employee presentation

Relying on Experienced Resources

Over decades, Crowe risk professionals have helped more than 1,100 financial services clients of all sizes respond to scrutiny in tough regulatory environments. We offer in-depth knowledge and technological expertise to help financial services organizations implement and manage ERM initiatives with solutions endorsed by the American Bankers Association.²



Contact Information

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¹ "Navigating the New Normal: Enterprise Risk Management After e-Risk Identification and Assessment," a recording of a Crowe webinar presentation by Jennifer Burke and Bart Kimmel, is available at <http://www.crowe.com/ContentDetails.aspx?id=6144>

² Crowe governance, risk, and compliance management solutions are endorsed by the American Bankers Association (ABA) through its subsidiary, the Corporation for American Banking. The ABA endorsement of these solutions indicates they deliver high quality, meet performance standards, and offer the potential to improve your bank's profitability and performance.

About Crowe

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