

What Organizations Have Learned From Incorporating Ethics & Compliance Into Enterprise Risk Management (ERM)

From Enterprise Risk Management: Why the Ethics and Compliance Function Adds Value

- Incorporating the Ethics and Compliance (E&C) function can help transform ERM from a *regulatory process* into a *strategic* process
- Assuring *follow up* and mitigation actions is essential for ERM to have credibility
- Effective *document management* and protection is key for preventing ERM from creating additional risk for the organization
- Using *tools and processes that are already embedded* in the organization when doing ERM helps to sustain the changes that are driven by ERM
- The “*risk appetite*” of different organizations varies widely according to the culture
- *Leadership and culture* can both reduce and exacerbate risk
- The skills and competencies of the internal E&C function can reduce the organization’s reliance on external resources for conducting ERM, and *reduce cost*
- Establishing *accountability for mitigating* the risks that are identified is essential for success
- The E&C function can bring a *coherent and integrated* understanding of the overall risk profile of an organization
- Formalizing ERM responsibilities in job *descriptions and performance reviews* helps to sustain the work over time
- The E&C function has strong capabilities to *work effectively across departments* and business units
- ERM needs to respond to the organization’s *culture*, and it can also change that culture

Read the complete publication at www.ethics.org/research-series