



Audit Committee

Overview of Enterprise Risk Management

Item 7b

June 8, 2026

Presented by: Lina Tan

Item 7b Overview of ERM

Subject

Overview of Enterprise Risk Management

Purpose

Provide an overview of Enterprise Risk Management (ERM) and COSO's ERM Framework, which helps organizations understand and manage risks.

Overview of ERM

What is Enterprise Risk Management?

- Identifying Risks
- Understanding Risks
- Managing Risks
- Mitigating Risks
- Monitoring Risks



Overview of ERM

ERM IS

- ✓ More than a risk listing
- ✓ More than internal control
- ✓ Versatile

IS NOT

- ✗ A function or department
- ✗ A checklist



Overview of ERM

ERM Benefits

- Identify new opportunities
- Improve performance
- Reduce performance variability
- Enhance efficiency and enterprise resilience



Overview of ERM

The Board and ERM

- Risk oversight
- Strategy and risk appetite
- Management incentives and remuneration
- Stakeholder relations



Overview of ERM

Management and ERM

- Accountable for managing risks
- Enhance ERM conversations
- Examine alternative strategies
- Build trust and instill confidence



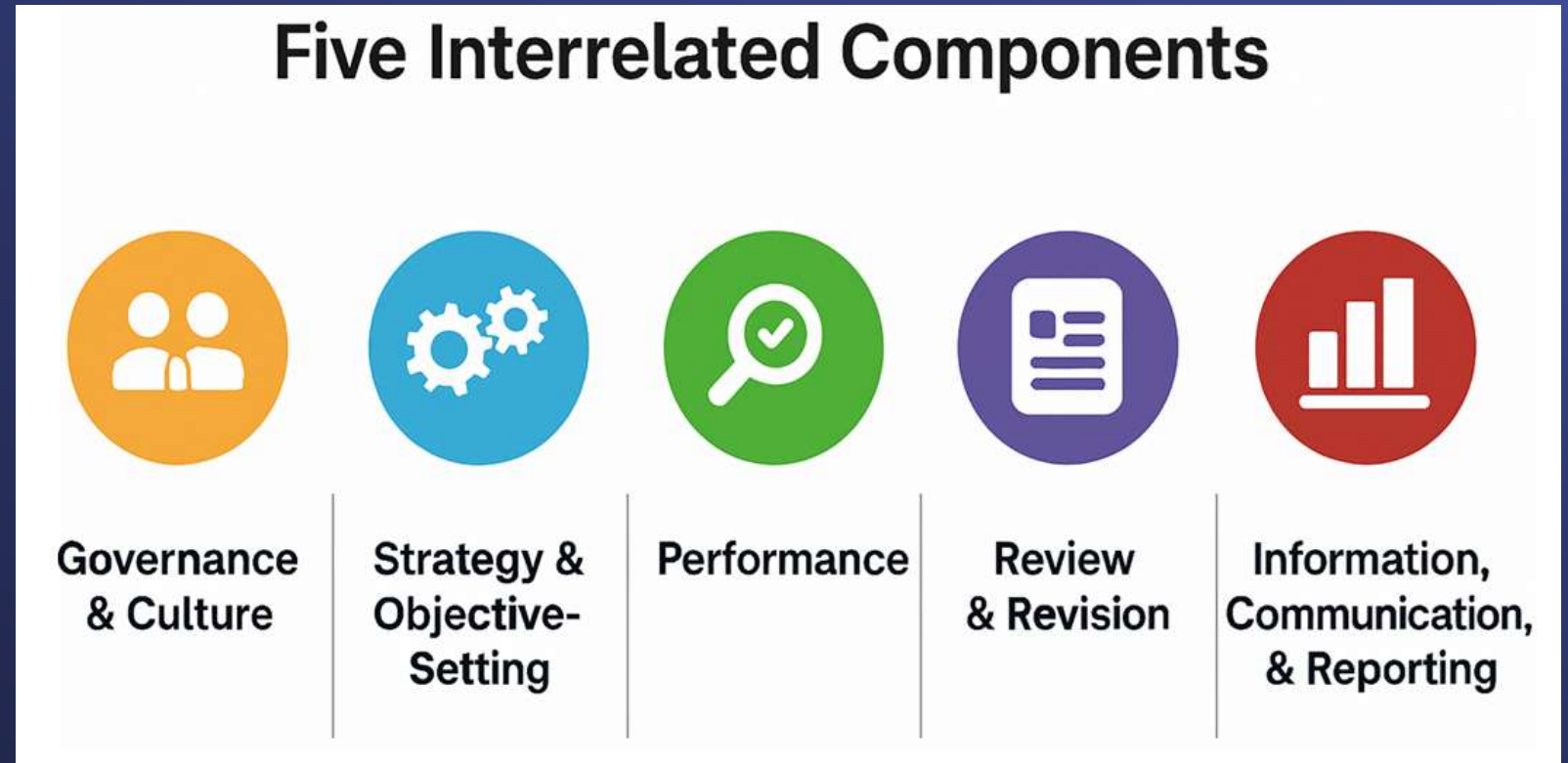
Overview of ERM

Internal Audit and ERM

 DO's	 DON'Ts
Advises the board & management	Build or maintain the ERM framework
Evaluates ERM process	Set risk appetite or strategy
Reviews risk reporting	Own or manage risks
Assesses alignment of risks with strategies	Make risk decisions for management
Recommends improvements	Operate controls or take on management responsibility

Overview of ERM

COSO ERM – Integrating with Strategy & Performance Framework

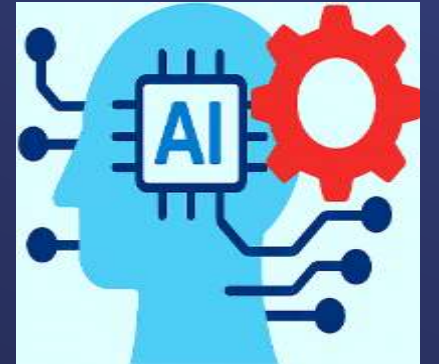


Source: COSO

Overview of ERM

ERM Future

- Proliferation of data
- AI and automation
- Cost of risk management
- Stronger organizations



Overview of ERM

Key Takeaways

- Distinct roles
- Integrate with strategy
- Enhances performance and resilience



Overview of ERM

Questions?

