THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Committee Item
INFORMATION

Audit Committee

9/14/2026 Committee Meeting

7c

Subject

Discussion on Enterprise Risk Management Policy

Executive Summary

This item is a follow-up to the June 8, 2026 Audit Committee meeting information item on Enterprise Risk Management and provides an opportunity for Board discussion regarding future policy direction and staff action.

Applicable Policy

Metropolitan Water District Administrative Code 6451(e)(1)

Details and Background

At the June 8, 2026 Audit Committee meeting (Item 7b, Overview of Enterprise Risk Management), the Office of the General Auditor presented an overview of Enterprise Risk Management (ERM) and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) ERM Framework. The COSO ERM framework helps organizations understand and manage risks by integrating risk management with strategy, performance, and culture to support value creation and preservation.

Metropolitan Administrative Code Section 6451(e)(1) states the Audit Department's role includes advisory services to the Board and management to determine whether the District's network of governance, risk management, and internal controls is adequate and functioning in a manner to ensure risks related to the achievement of Metropolitan's strategic objectives are appropriately identified, managed, and monitored.