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COSO Releases New ERM Guidance: Creating and Protecting Value *Practical steps for organizations to realize the true value of enterprise risk management*

Lake Mary, FL (Feb 4, 2020) – Over the past few decades, enterprise risk management (ERM) has received increased attention from boards and executives, and it continues to evolve in its development and uses. To further inform organizations on its benefits, the Committee of Sponsoring Organizations of the Treadway Commission ([COSO](http://www.coso.org)) is releasing new guidance, “*Creating and Protecting Value: Understanding and Implementing Enterprise Risk Management*,” offering succinct, tangible steps to implement an effective ERM program.

The project was commissioned by COSO and co-authored by DePaul University’s Richard J. Anderson, Clinical Professor of Strategic Risk Management, and Dr. Mark L. Frigo, Co-founder and Director Emeritus of the Strategy, Execution and Valuation Initiative & Strategic Risk Management Lab at the Kellstadt Graduate School of Business/Driehaus College of Business - School of Accountancy & MIS.

“Together with COSO’s *Enterprise Risk Management – Integrating with Strategy and Performance* and other COSO guidance, this paper is a good starting point for an effective ERM initiative,” said Paul Sobel, COSO Chairman. “The goal is to develop a momentum for ERM to expand and deepen the organization’s strategy-setting, performance, and risk-management processes in pursuit of creating and protecting value.”

The guidance is based on successful practices used by organizations in taking an incremental, step-by-step approach to implementing ERM.

As noted in the paper, any ERM initiative needs to be tailored carefully to the needs of a specific organization. The updated COSO ERM Framework clarifies both the relationship between strategy and risk and that the objective of ERM is to assist the organization to achieve its strategy and business objectives. Understanding those two key points is not only critical for success but important in setting and communicating the risk culture of the organization.

“The approach of this paper and the updated ERM Framework and related guidance provide the flexibility to tailor an ERM initiative and realize fully its benefits,” said Dr. Frigo. “Enhancing their ERM processes starts with a clear understanding of the role of ERM in assisting the directors and senior management to make better decisions and achieve their strategy and business objectives.”

“The business environment today is one in which boards of directors and senior management will continue to face rapid changes, complexities, and volatile risks,” added Anderson. “Such an environment, however, also presents them with significant new opportunities. Organizations can enhance their abilities to be successful in both addressing risks and taking advantage of opportunities by enhancing their

enterprise risk management processes and integrating ERM fully into their strategy setting and performance processes.”

Please visit www.COSO.org for the full paper.

About COSO

Originally formed in 1985, COSO is a voluntary private sector organization dedicated to improving organizational performance and governance through effective internal control, enterprise risk management and fraud deterrence. COSO is jointly sponsored by the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), the Institute of Management Accountants (IMA), and The Institute of Internal Auditors (IIA). For more information, visit www.COSO.org.

About The Strategic Risk Management Lab

The Strategic Risk Management Lab at DePaul University is an engagement platform for thought leaders and the business community to co-create and share leading practices in Strategic Risk Management and Enterprise Risk Management. For more information, visit our [website](#) or contact Richard J. Anderson at rande37@depaul.edu or Dr. Mark L. Frigo at mfrigo@depaul.edu.

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