

Government Enterprise Risk Management 2024 Survey Results

The 2024 Government ERM Survey is Guidehouse's tenth annual survey in collaboration with the Association for Federal Enterprise Risk Management (AFERM). It is designed to provide government managers and leadership with perspective on the current state and trends of ERM in the U.S. Government.

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Executive Summary

For the tenth consecutive year, the Association for Federal Enterprise Risk Management (AFERM) and Guidehouse have collaborated to conduct a survey of government employees to gather insights into the current state of Enterprise Risk Management (ERM) in their organizations.

In this year's survey, we see government organizations exhibiting overall ERM performance levels reflective of a maturing capability – and incremental positive trends related to effectiveness, integration, and culture in different areas from the 2023 survey.

Previous surveys highlighted several characteristics positively affecting ERM effectiveness. That trend continues to be reflected in this year's survey, with the top two demographic categories having the highest mean scores and most positive response rates:

- Organizations that incorporate ERM or risk management into the performance plans of all members of the Senior Executive Service (or equivalent); and
- Organizations in which the ERM program lead reports directly to the Agency Head or Deputy

Other demographic categories demonstrating a higher correlation with ERM effectiveness, albeit not as significant as the categories above, include:

- Organizations with longer-duration ERM programs (operating for three (3) or more years); and
- Organizations where the ERM program lead(s) spends more than 50% of their time on ERM.

Responses from the survey this year show mixed results when weaving ERM into the fabric of government, with decreases in ERM integration with key management processes, including execution processes, internal control programs, and budgetary processes. There was an increase in the mean for integrating ERM with strategic planning and similar mixed results for organizations embracing the cultural aspects of risk transparency and promoting an environment where managers and staff are open to discussing risks as part of everyday business, and organizations providing sufficient risk management training for staff to carry out their risk management responsibilities effectively and efficiently.

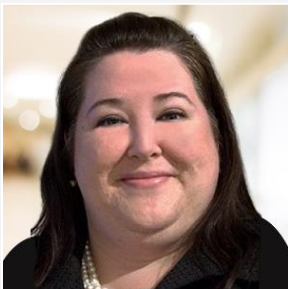
Government leaders have also continued to navigate key risk areas with cybersecurity/ privacy, operational/programmatic, and strategic risks topping the list of risk types that capture the most attention and allocation of resources from management. For the second year in a row, human capital (employee retention, morale, and engagement) and technology (cybersecurity failures) risks top the list of emerging risks that respondents indicated should be added to their organization's risk profiles. 80% of respondents indicated technology is the risk category that will generate significant risks to their agencies within the next three years.

On par with last year's results, 47% of respondents indicated that their organizations have defined risk appetite statements. Communication of the risk appetite continues to show up in responses as an important aspect of ERM programs. More than 83% of respondents indicated their risk appetite statement has been updated within the past three years, and 47% of respondents indicated that their ERM program plans to increase focus on risk appetite over the next 12 months.

Additional Findings

The following is a summary of additional key insights from this year's survey (in no particular order):

- “Cyber security/privacy” was once again identified as the top risk area currently receiving the greatest management attention. It also tops the list of risks organizations believe will have the greatest impact on strategic objectives over the next 3-5 years, followed by “operational/programmatic” risk.
- While there are still some areas that continue to be a mismatch in which management is employing significant resources despite having different perceptions of actual current and future risk, it appears there has been a shift this year where perception and actual resources employed are more aligned. Where a mismatch does occur, it is in the areas of “reporting” and “compliance risk”. Financial risk also bubbled up to the top five of the types of risk that are currently perceived as the highest to organizations’ ability to meet the mission or strategic objectives.
- While integration of ERM with other management processes decreased in three of four categories this year, two questions have means above the midpoint. There is still significant opportunity to improve outcomes by enhancing integration of ERM with strategy, performance, and budget activities. Survey results showed the highest degree of integration between ERM and internal control programs, followed by integration with strategic planning.
- This year showed new entrants into the top list of impactful improvements. The top two improvements relate to better linkage and alignment. In the top spot is “More Clear Linkage, Alignment, or Integration of Risk with resource allocation and decision-making” and in the second spot is “More Clear Linkage, Alignment, or Integration of Risk with Strategy and Performance”. “Tone at the top, executive support for risk management” which has been the top response for the past several years dropped to the third spot this year.
- Consistent with prior years, “enhanced management decision-making by utilizing data and information produced by the ERM program” is the most commonly cited benefit realized by organizations since introducing their ERM program, with 66% of respondents selecting this response. This benefit was followed by “reduced duplication in risk assessment and/or compliance activities” with 42% of respondents selecting this response.
- While culture and leadership-related challenges continue to be prominent barriers facing organizations attempting to establish and maintain a formal ERM program, budget limitations appear to remain a concern to ERM programs, as it retains the second spot this year. “Bridging silos across organizations,” was once again the top barrier selected. This year 73% of respondents indicated that ERM budgets stayed the same, which may point to current budget levels being unable to address ERM program needs.
- Once again, this year, “training and Awareness” tops the list of areas of ERM program focus over the next 12 months, followed by “compliance with OMB” and “risk assessment” (3.56) and “risk appetite” (3.55) rounding out the top four focus areas.
- The COSO ERM Framework continues to lead types of guidance in adoption across ERM Programs. At the same time, the Federal ERM Playbook, a resource for Federal agencies that was updated in 2022, rose to the top of ERM standards/ guidance respondents were aware of.



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Demographics

Survey Approach, Demographics, and Report Format

This report provides the results of the tenth annual survey conducted by Guidehouse and AFERM on ERM across government. While most questions are repeated from prior years' surveys to enable tracking of trends over time, some questions have been updated to gain a different perspective or to refine the data being collected.

In terms of organizational representation, responses were received from a total of 48 Federal organizations, including all 15 Cabinet agencies.

The report's bar charts include data from the 2024 and 2023 surveys, which are rounded to the nearest full percent. As a result, the sum of the percentages that are displayed may not equal exactly 100%.

For this year's report, the mean score for the 14 questions related to ERM integration, performance evaluation of ERM programs, and ERM and culture – which are based on a 5-point Likert scale – have been included next to the bar chart, along with the mean score for 2024, and the percentage difference between the results over the two years. In addition, breakouts for the means for the primary demographic categories for each of these questions have also been included this year in the Mean Breakouts section.

Links to the online survey were sent to the AFERM mailing list and posted to AFERM social media pages. The survey was only open to government personnel. While all respondents received the same set of initial questions, subsequent questions followed one of two prescribed paths based on whether the respondent's organization had already implemented an ERM program.

Given that a random sample was not used to select the survey population, this approach represents a nonprobability sample which may not be generalizable to the entire government population. However, the survey respondents did span the breadth government respondents and across several demographic categories.

Organizations from which responses were received are listed below (in alphabetical order). For Cabinet agencies, responses were received from main headquarters as well as components and bureaus. The latter are identified for those respondents who provided that information:

- Commodity Futures Trading Commission
- Consumer Financial Protection Bureau
- Department of Agriculture
 - Forest Service
 - Rural Development
- Department of Commerce
 - National Institute of Standards and Technology
 - National Oceanic and Atmospheric Administration
 - United States Patent and Trademark Office
- Department of Defense
 - Defense Finance and Accounting Service
 - Department of the Navy
 - Office of the Director, Administration and Management/Performance Improvement Directorate
 - Office of the Secretary of Defense
- Department of Education
 - Federal Student Aid
- Department of Energy
 - Power Marketing Administration

Demographics

Survey Approach, Demographics, and Report Format

- Department of Health and Human Services
 - Agency for Healthcare Research and Quality
 - Assistant Secretary for Financial Resources
 - Centers for Disease Control
 - Centers for Medicare & Medicaid Services
 - Food and Drug Administration
 - National Institutes of Health
 - Office of the Secretary
- Department of Homeland Security
 - Customs and Border Patrol
 - Transportation and Security Administration
- Department of Housing and Urban Development
 - Office of the Chief Human Capital Officer
 - Office of the Chief Risk Officer
- Department of the Interior
 - Office of Natural Resources Revenue
 - Office of Performance and Planning
 - Office of the Secretary
 - Bureau of Trust Funds Administration
- Department of Justice
- Department of Labor
 - Office of Inspector General
- Department of State
 - Department of Revenue
 - Peace Corps
- Department of Transportation
 - Federal Aviation Administration
 - Federal Highway Administration
 - Office of the Secretary
- Department of the Treasury
 - Departmental Offices
 - Internal Revenue Service
 - United States Mint
- Department of Veteran Affairs
 - Veteran Benefits Administration
 - Veterans Health Administration
- Environmental Protection Agency
- Federal Deposit Insurance Corporation
- Federal Retirement Thrift Investment Board
- National Credit Union Administration
- Pension Benefit Guarantee Corporation
- Securities and Exchange Commission
- United States Agency for International Development
- United States Courts

Demographics

Survey Approach, Demographics, and Report Format

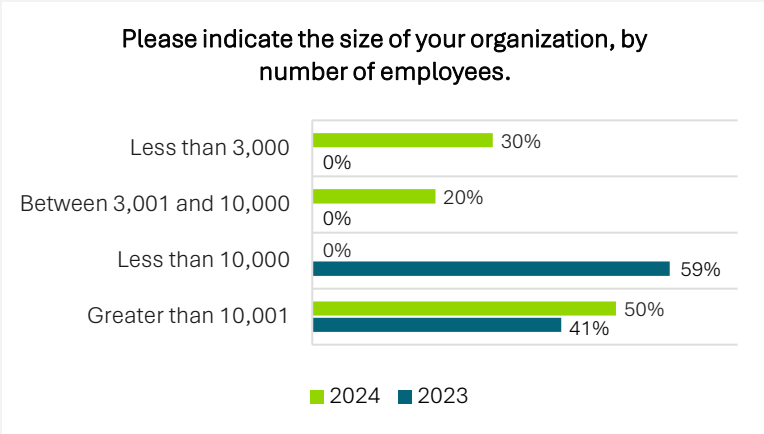
In addition, the 2024 the survey has added an additional breakout to capture input for State and Local Governments. For this inaugural breakout, responses were received from the following States:

- Arizona
- Connecticut
- District of Columbia
- Michigan
- Maryland
- Minnesota
- Oregon
- Pennsylvania
- Virginia
- Washington

While personally identifiable information was not requested from survey respondents, some demographic information about their role and organization was captured. Responses to each question in the survey were analyzed against these demographic categories to identify differences in results based on these categorizations. Additional breakdowns are also provided based on other characteristics of ERM Programs identified.

Size of organization, by number of employees.

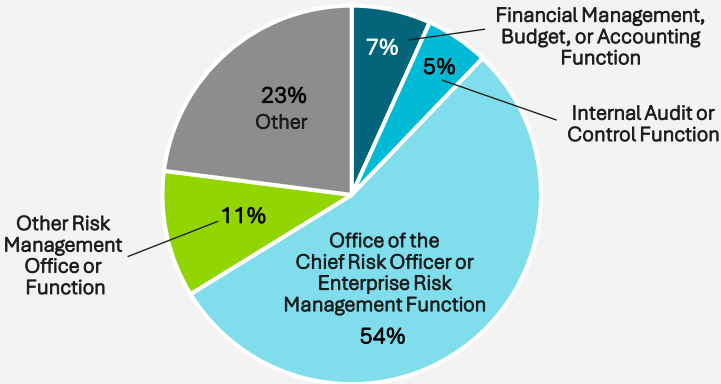
To simplify the analysis associated with the size of organizations, organizations with less than 10,000 employees are referred to as “**smaller organizations**” (50% of respondents) and organizations with more than 10,000 employees are referred to as “**larger organizations**” (50% of respondents).



Please provide your current functional alignment within your organization.

The majority of respondents indicated they currently work within their organization’s ERM or some other risk management function (65%), up from last year (62%). Respondents from financial management, budget, and accounting functions represent 7% of total respondents, same as last year.

Please provide your current functional alignment within your organization



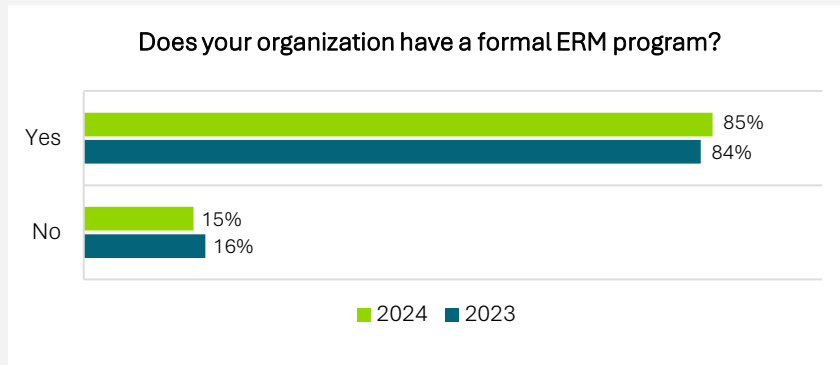
Characteristics of ERM Programs

ERM Existence, Duration, and Budgets

Does your organization have a formal ERM program?

In 2024, 85% of survey respondents indicated they work in an agency having a formal ERM program. This rate is on par with the preceding year's results of 84%.

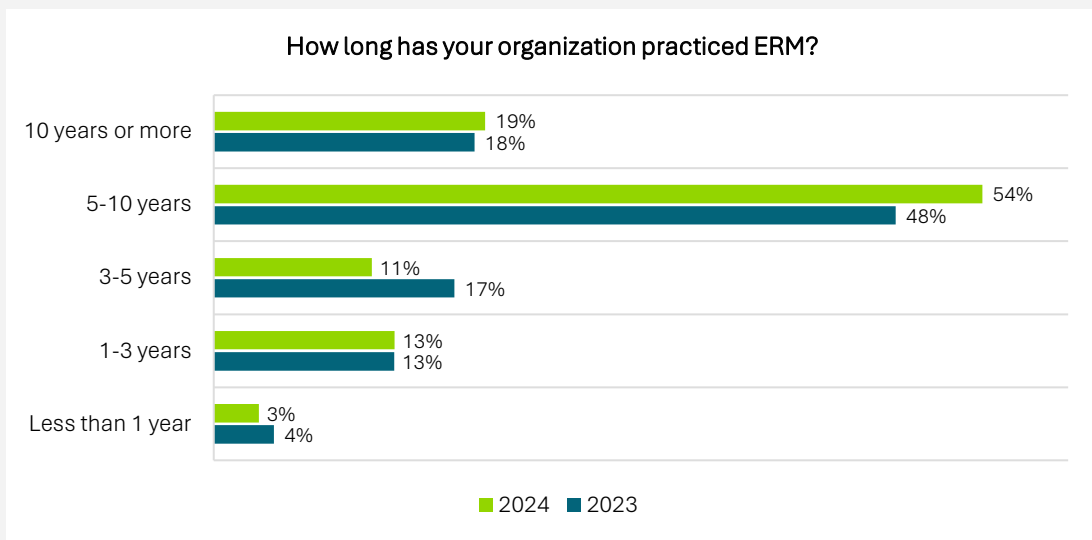
Larger agencies responding they have a formal ERM program are up slightly (86%) from 2023 (83%) but are still below the historical high in 2022 of 92%.



How long has your organization practiced ERM?

The percentage of respondents indicating their organization began practicing ERM in the past year remains low, decreasing slightly from 4% in 2023 to 3% in 2024. Most respondents (84%) indicated their organization has practiced ERM for more than three years.

Note: The two shortest duration response categories are combined in the narrative portion of this document and referred to as organizations with “**shorter-duration ERM programs**” (less than three years having an ERM program), while the three longest duration response categories are combined and referred to as organizations with “**longer-duration ERM programs**” (more than three years having an ERM program).



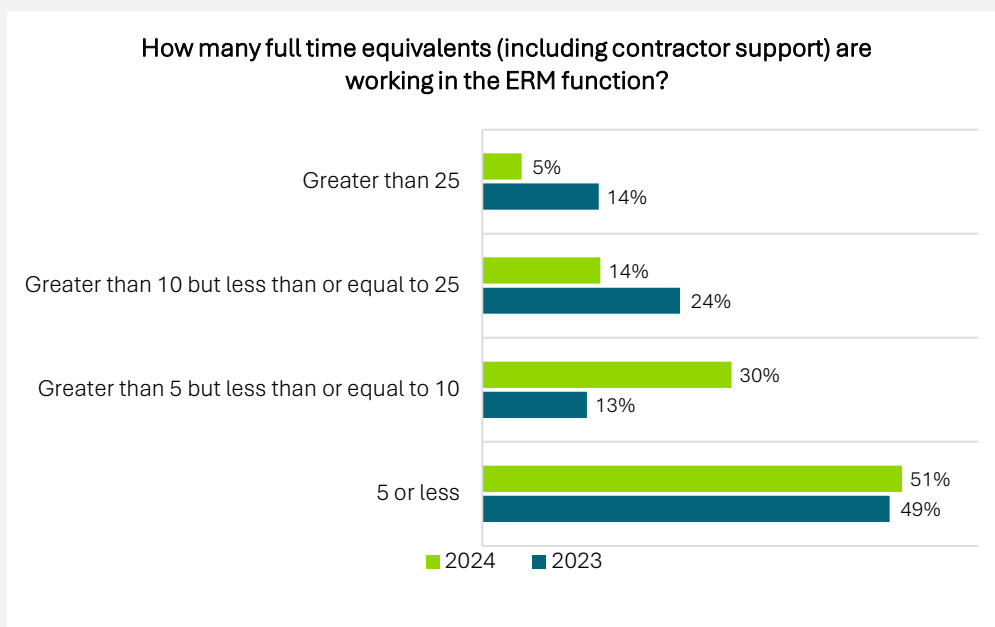
Characteristics of ERM Programs

ERM Existence, Duration, and Budgets

How many full-time equivalents (including contractor support) are working in the ERM function?

As in prior years, this year's survey shows that ERM programs tend to be staffed by a small number of full-time equivalents (FTEs) – 81% of respondents indicated their organization's ERM workforce consists of 10 or fewer people (including contractors). This is significantly higher than the 62% of respondents in this category in 2023.

This year, the percentage of respondents indicating that more than 10 employees support their ERM function reversed the trend of last year. **This year, only 19% of respondents indicated that their ERM function is staffed by more than 10 FTEs compared with 38% last year.** Large agencies and organizations with longer-duration ERM programs are more likely than others to have 10 or more people supporting their ERM functions.



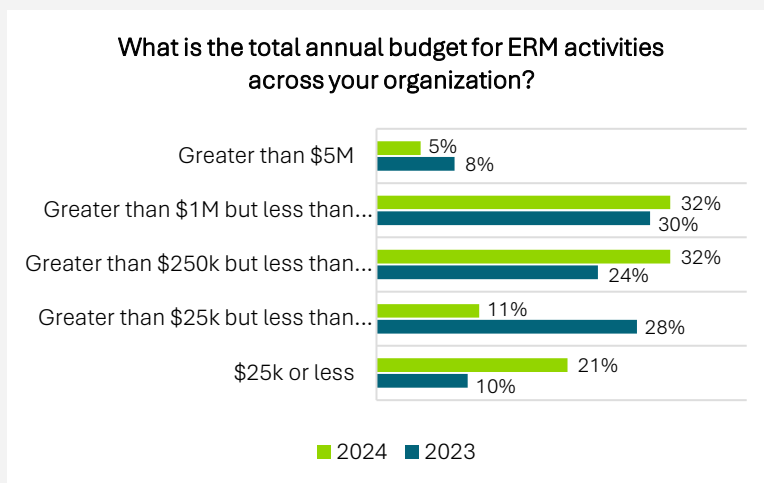
Characteristics of ERM Programs

ERM Existence, Duration, and Budgets

What is the total annual budget for ERM activities across your organization?

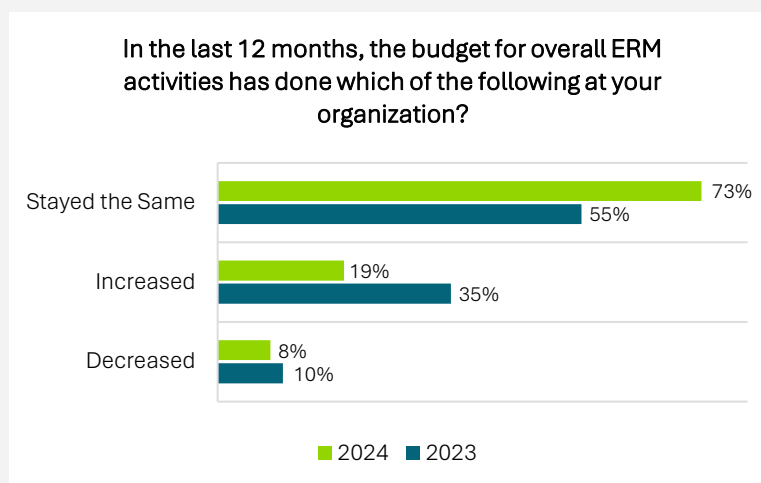
Budgets for ERM programs remain relatively small. Consistent with last year's results, approximately two-thirds (63%) of respondents indicated their total annual budget for ERM activities is less than \$1M.

Respondents from larger agencies were more likely to report having an ERM budget greater than \$1M (47% vs. 26%), as were respondents with longer-duration ERM programs (46% vs. 12%). This year, **organizations with CRO-led ERM programs and non CRO-led programs have similar percentages reporting budgets greater than \$1M.** 37% of respondents from organizations with CRO-led programs reported having a budget of more than \$1M, whereas 35% of respondents with non-CRO-led programs reported having a budget of more than \$1M.



In the last 12 months, the budget for overall ERM activities has done which of the following at your organization?

This year 73% of respondents indicated that their organization's budget for ERM activities remained the same during the last year, this is up from 55% in 2023.



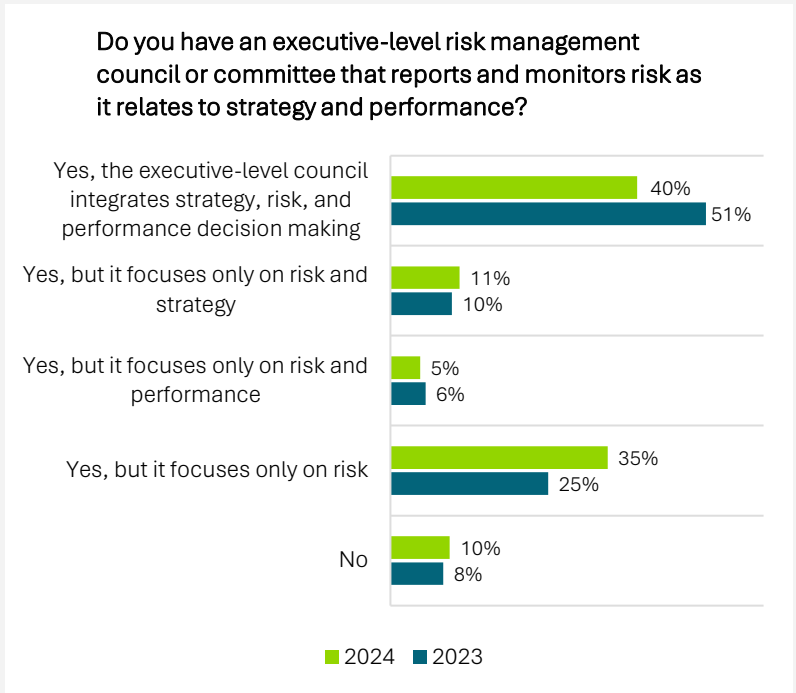
Characteristics of ERM Programs

Governance, Program Scope, and Technology

Do you have an executive-level risk management council or committee that reports and monitors risk as it relates to strategy and performance?

As in prior years, this year's results show that **nearly all (90%) organizations with established ERM programs have an executive-level risk management council.**

The focus of these committees continues to vary widely. The percentage of respondents with ERM councils that integrate risk with strategy and performance for enhanced decision-making decreased eleven percentage points this year, from 51% to 40%. This year, there was a commensurate 10% increase in respondents indicating their ERM council focuses only on risk to 35% from 25% in 2023.

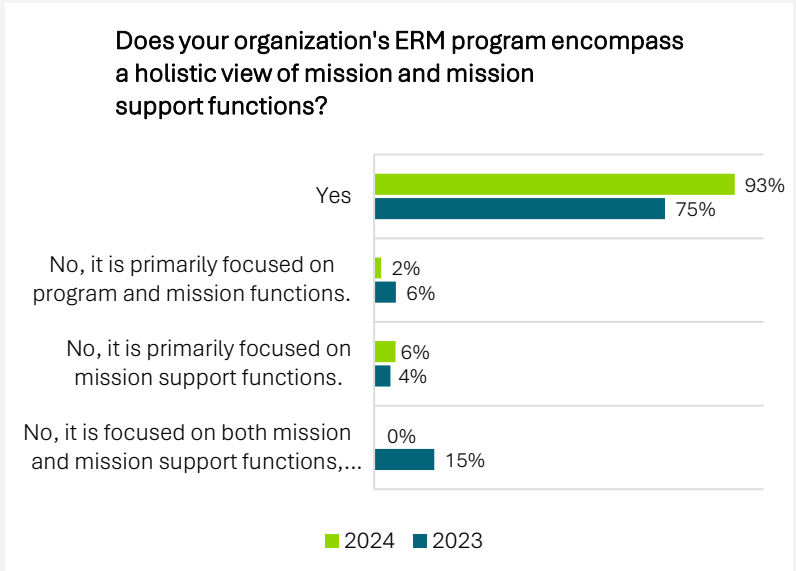


More mature ERM programs are more likely to have an ERM council that focuses on more than just risk. This year, 26% of respondents who characterized the maturity of their ERM program as “initial or developing” indicated they do not have an ERM council. This year, no respondents with more mature ERM programs (i.e., “managed or optimized”) indicated they do not have an ERM council.

Does your organization's ERM program encompass a holistic view of mission and mission support functions?

Following a trend of the prior six years, almost all respondents this year (93%) **indicate their organization's ERM program encompasses a holistic view** of mission and mission support functions this is an increase from (75%) in 2023.

This response is consistent across many demographic categories.



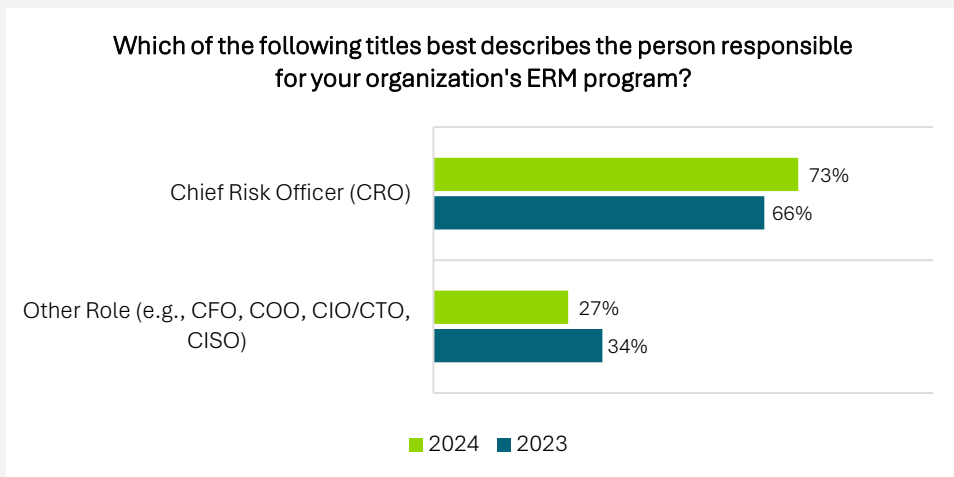
Characteristics of ERM Programs

Governance, Program Scope, and Technology

Which of the following titles best describes the person responsible for your organization's ERM program?

The majority of respondents (73%) of respondents indicated their ERM program is led by a CRO, up nearly 7 percentage points from 2023.

A little over a quarter of respondents (27%) of respondents answered their organization's ERM program is led by a role other than a CRO, such as a CFO, COO, CIO or CISO. More than half of respondents (63%) who characterized their ERM program as "initial or developing" and 76% of respondents who characterized their ERM program as "managed or optimized" are led by a CRO.

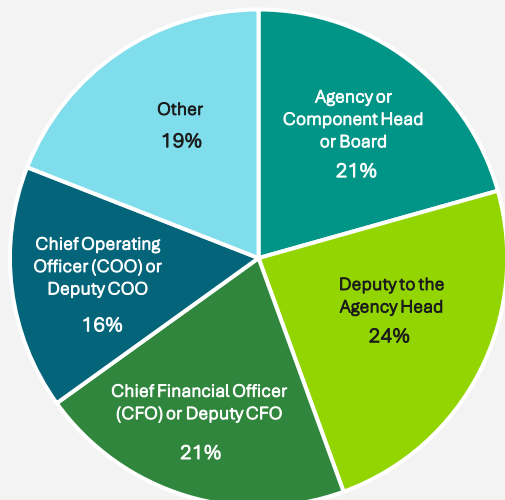


To whom does the leader of your organization's ERM program report?

This year's survey results showed an increase in the percentage of ERM program leaders who report directly to the Agency Head or Deputy. The percentage of respondents indicating the leader of their ERM program reports to the Agency Head or Deputy increased to 44% from 41% last year.

The percentage of ERM program leaders reporting to their organization's CFO decreased slightly to 21% this year, from 23% last year. The percentage of ERM program leaders reporting to their Chief Operating Officer (COO) decrease slightly to 16% from 17% last year.

To whom does the leader of your organization's ERM program report?



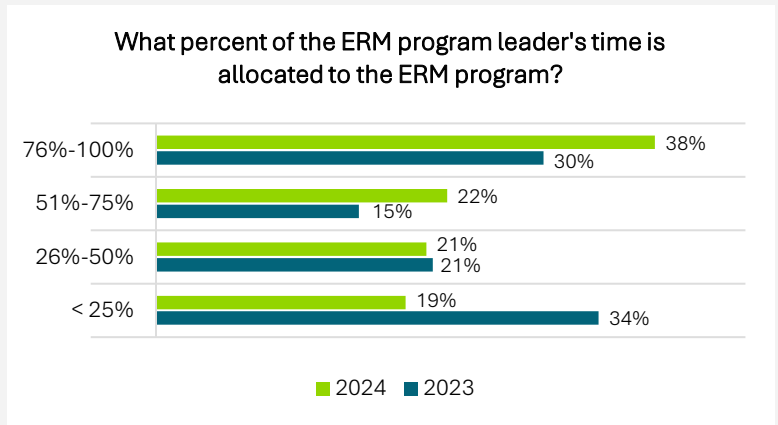
Characteristics of ERM Programs

Governance, Program Scope, and Technology

What percent of the ERM program leader's time is allocated to the ERM program?

From year to year, survey results indicate ERM leaders have many competing demands of their time. This year's results are no different and are similar to last year's results. Respondents report **38% of ERM program leaders spend more than 75% of their time focusing on the ERM program**. On the other end of the spectrum, **19% spend less than 25% of their time focusing on the ERM program**.

ERM leaders with newer ERM programs appear to spend more time focused on ERM, with 47% of these respondents indicating their ERM leader spends more than 75% of their time focused on ERM. Meanwhile, 35% of respondents from organizations with longer-duration ERM programs report the same time investment by their ERM leader.

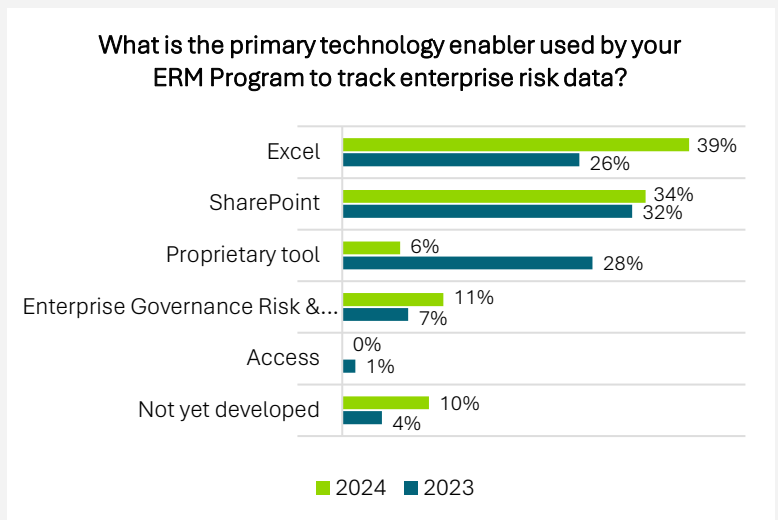


What is the primary technology enabler used by your ERM program to track enterprise risk data?

For the second year in a row, there was a notable drop in the percentage of respondents reporting they use Excel as the primary technology enabler for their ERM program. This percentage decreased from 36% in 2022 to 26% in 2023.

This year, the most common technology enabler was Excel (39%), followed by SharePoint (34%).

Respondents with shorter duration (< 3 years) ERM programs tend to use SharePoint (50%). However, respondents with longer duration (> 3 years) ERM programs tend to use a proprietary tool (31%), followed by SharePoint (29%).



Characteristics of ERM Programs

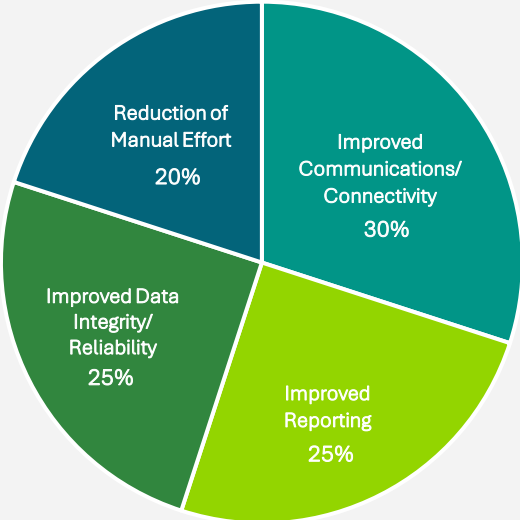
Governance, Program Scope, and Technology

If your organization uses enterprise Governance, Risk, and Compliance (eGRC) tools, what benefits or returns has your Organization realized? Please select all that apply.

The number of respondents who report using an eGRC tool increased from 7% in 2023 to 11% in 2024;

Of respondents who indicated they use an eGRC tool, 43% noted that they are realizing all four benefits listed; reduction of manual effort, improved reporting, increased data integrity or reliability, or improved communications or connectivity.

If your organization uses enterprise Governance, Risk, and Compliance (eGRC) tools, what benefits or returns has your Organization realized? Please select all that apply.



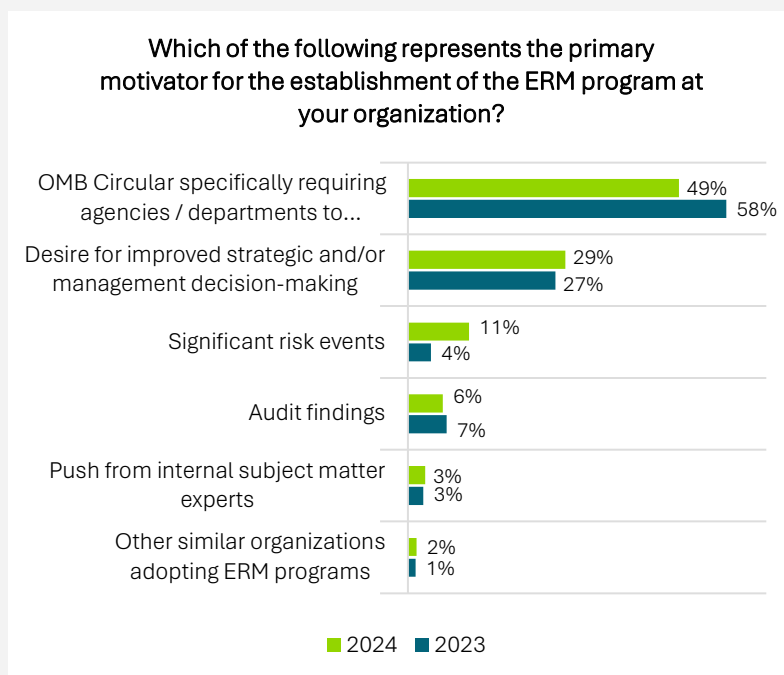
Characteristics of ERM Programs

Motivations and Barriers

Which of the following represents the primary motivator for establishing the ERM program at your organization?

Each year since 2017, **compliance with OMB Circular A-123 has been the top motivator** for establishing Federal ERM programs, with just under half of respondents (49%) selecting that option in 2024. **“Desire for improved management decision-making,” was selected by 29% of respondents and remains the second-ranked selection, by a wide margin,** for the eighth consecutive year.

These are the top two selections across almost all demographic categories.



Characteristics of ERM Programs

Motivations and Barriers

Which barriers does your organization face in executing or maintaining a formal ERM program and how significant are those barriers?

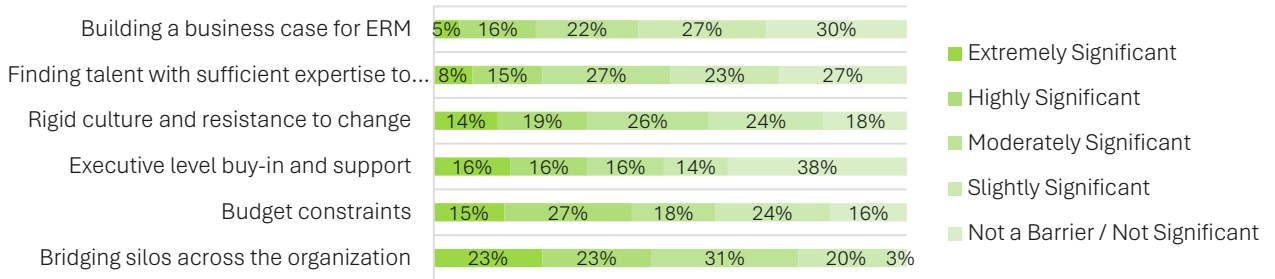
The rank order of barriers confronting ERM programs is similar to prior year results.

As measured by the percentage of respondents identifying the barrier as either “Highly Significant” or “Extremely Significant,” **“bridging silos across the organization” continues to be the top barrier**, followed by “budget constraints”, which remains in the second position this year. “Rigid culture” and “executive level buy-in and support” tied for third position this year. Both of these barriers had significant movement in their rankings in 2023 but remain consistent in 2024. In fourth is “finding talent with sufficient expertise to drive and execute ERM” and rounding out the list of barriers is “building a business case for ERM.”

Organizations with non-CRO-led ERM programs (41%) are more likely to encounter difficulty finding talent to drive and execute ERM compared to those with programs led by CROs (11%).

“Bridging silos across the organization” appears to be a more significant barrier for organizations with less mature ERM programs – 63% of respondents that characterized their programs as “initial or developing” identified this as a significant barrier. Compared to 16% of respondents with “managed or optimized” ERM programs ranked this barrier as extremely or highly significant.

Which barriers does your organization face in executing and maintaining a formal ERM program and how significant are those barriers?



Characteristics of ERM Programs

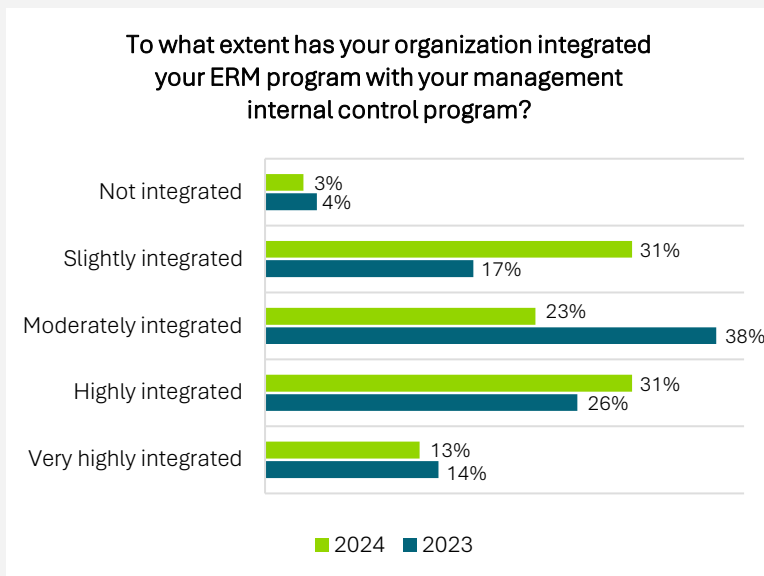
Integrated Capabilities

In 2024, three of the four areas of integration showed regression and reversed some of the prior gains seen in prior year survey results. This year the mean of two questions rose above the midpoint of 3.00 (moderately integrated). This increase in the degree of integration is accompanied by a change in the rank order of integration.

1. Integration with the Management Internal Control Program (mean = 3.19)
2. Integration with Strategic Planning (mean = 3.03)
3. Integration with Budgetary Processes (mean = 2.63)
4. Integration with Execution Processes (mean = 2.61)

To what extent has your organization integrated your ERM program with your management internal control program?

Among the four categories of ERM integration, the **top spot once again goes to linkage to management internal control programs**. Internal control programs often fall under the purview of a leader other than the CRO, such as a CFO or COO. This year the data showed an interesting data point, where the ERM program reports to a role other than a CRO (e.g., CFO, COO, CIO or CISO), the mean response was 2.71 whereas for organizations where the ERM program reports to a CRO, the mean is 3.38, which would be opposite of expectation and prior year results.



To what extent has your organization integrated ERM into strategic planning?

This year, the mean result for the integration of ERM with strategic planning is 3.03 (up slightly from 2.93 last year). The best performing category is for organizations where the ERM is incorporated into SES performance plans (mean = 3.40). Categories that outperformed the mid-point of 3.00 are organizations in which ERM is incorporated into SES plans, the lead spends more than 50% of their time on ERM, non-CRO led programs, longer duration programs and larger agencies.



Characteristics of ERM Programs

Integrated Capabilities

To what extent has your organization integrated ERM into budgetary processes?

This year, we noted a decrease in the mean result for the integration of ERM with budgetary processes (2.63 this year and 2.74 last year), which moves back into third place among the four areas of integration covered by the survey.

Only 19% of respondents indicate their organization is “Very Highly” or “Highly integrated” with budgetary processes, compared to 50% which indicate “Slightly Integrated” or “Not Integrated.”

There is only one demographic category for which the mean result of this question is greater than the midpoint response (moderately integrated) – organizations where all SES performance plans incorporate requirements for risk management (mean = 3.16).

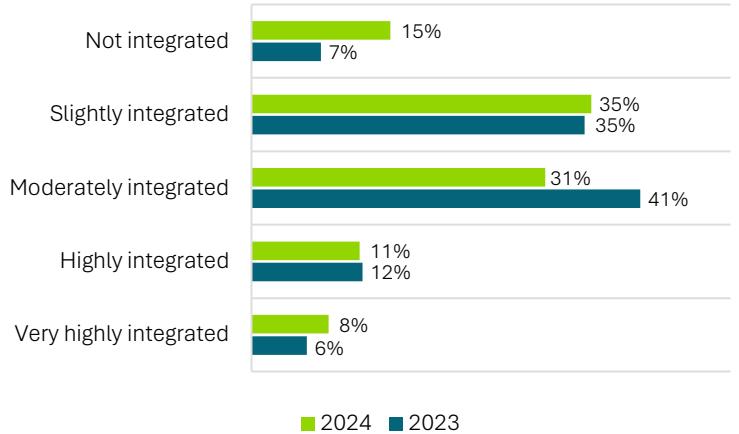
To what extent has your organization integrated ERM into execution processes (e.g., performance management and execution oversight)?

The mean result for the integration of ERM with performance management and execution processes decreased to 2.61 from 2.80 last year.

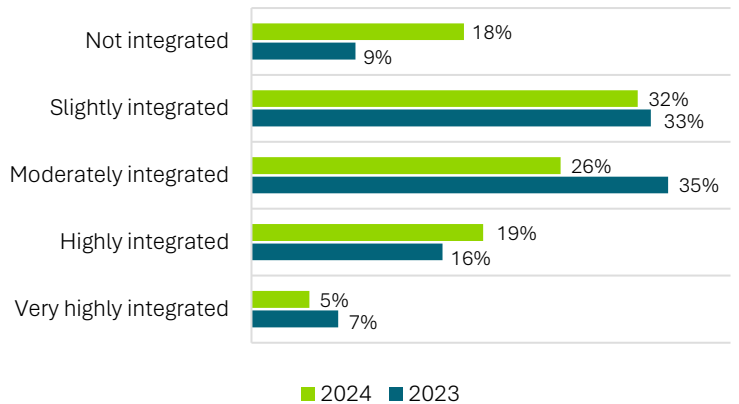
Only 24% of respondents indicated their organization is “Very Highly” or “Highly” integrated with execution processes, compared to 50% which indicate only “Slightly Integrated” or “Not Integrated.”

This year, no demographic categories report a mean above the midpoint (3.00). The two demographic categories with the highest means are – organizations where the ERM program reports to the Agency head (mean = 2.92) and organizations where all SES performance plans incorporate requirements for risk management (mean = 2.92).

To what extent has your organization integrated ERM into budgetary processes?



To what extent has your organization integrated ERM into execution processes (e.g., performance management and execution oversight)?

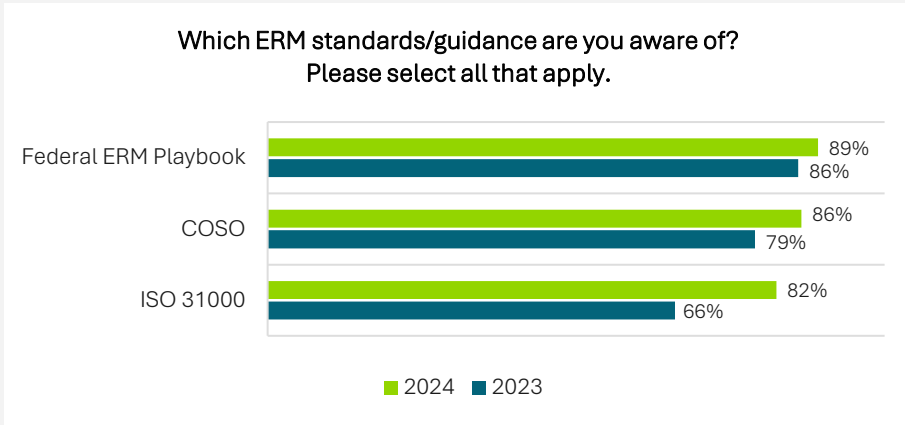


Characteristics of ERM Programs

Industry Frameworks and Certification Programs

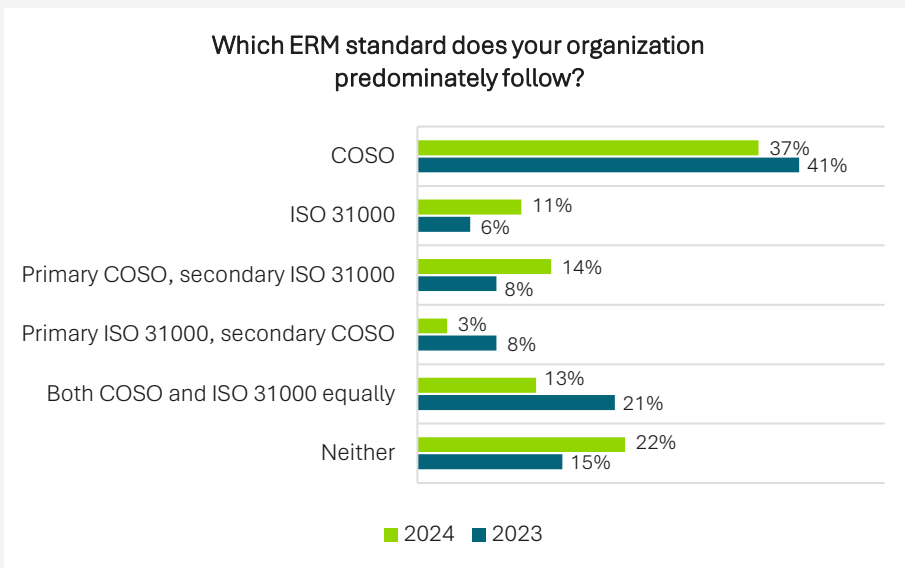
Which ERM standards/guidance are you aware of?

The updated Federal ERM Playbook remains the leading standard/guidance in 2024 with, 89% of respondents indicating they are aware of this standard/guidance, with a close second being the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM Framework (86%). The International Organization for Standardization (ISO) 31000 remains third in respondents' awareness (82%).



Which ERM standard for ERM does your organization predominately follow?

In terms of actual utilization, **the COSO ERM Framework continues to lead in adoption across ERM Programs**, with 37% of respondents citing COSO as their organization's predominate framework, increasing to 51% if the response "Primary COSO, Secondary ISO 31000" is also included. **ISO 31000 is identified by 11% of respondents** as the predominate framework in use by their organization. That figure increases to 14% if the response "Primary ISO 31000, Secondary COSO" is included.



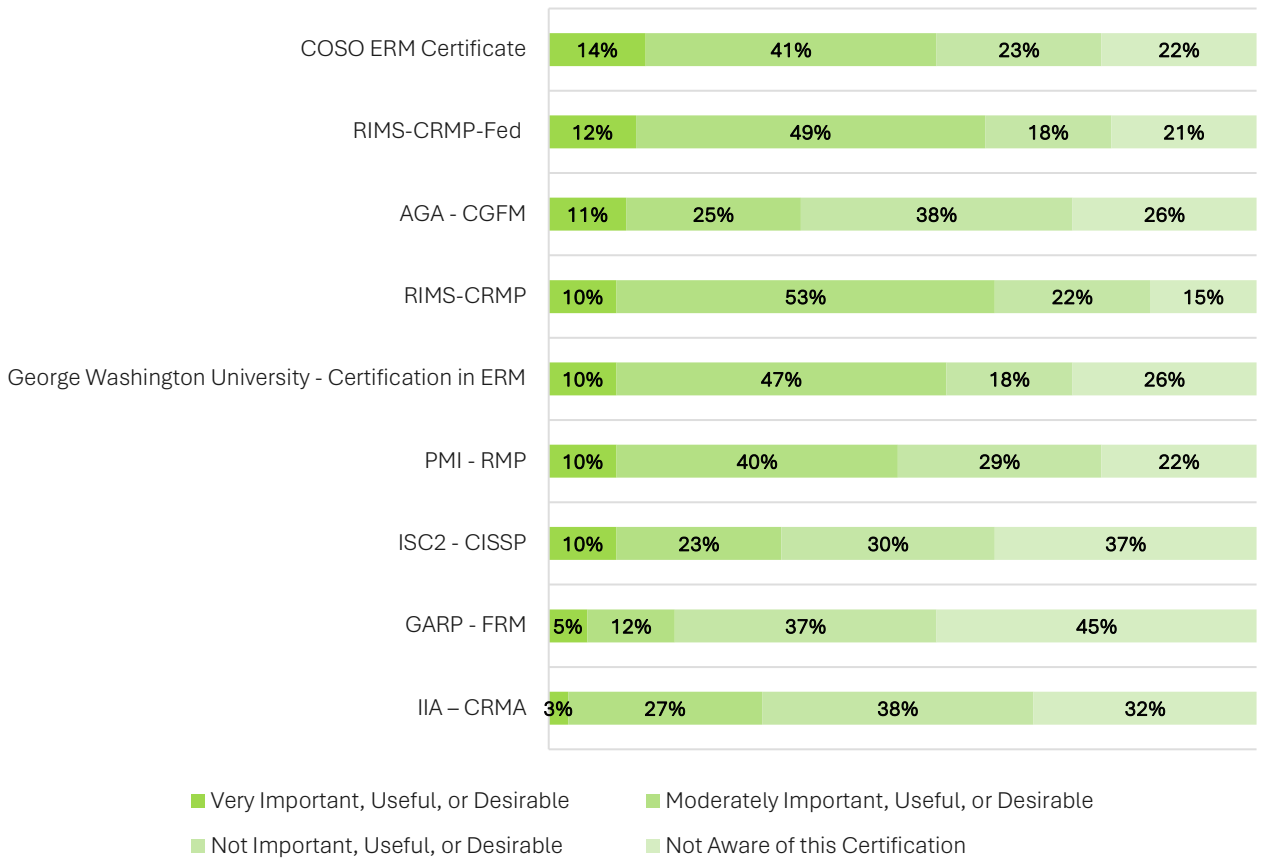
Characteristics of ERM Programs

Industry Frameworks and Certification Programs

What risk management or ERM certifications are you aware of and how important is it to you that you, your staff, or supporting contractors hold each certification?

The RIMS-CRMP and RIMS-CRMP-FED micro-certification tied in terms of awareness and importance, with 63 and 62% respectively of respondents characterizing this certification as “Very Important” or “Moderately Important.” These were followed by the other two ERM specific certifications the George Washington University Certification in ERM (56%) and the COSO ERM Certificate (55%). Almost half of the respondents characterized the PMI - RMP as “Very Important” or “Moderately Important”. The remaining certifications were not ranked as very or moderately important by more than 36% of respondents.

What risk management or ERM certifications are you aware of and how important is it to you that you, your staff, or supporting contractors hold each certification? (2024 Results)



Focus and Priorities

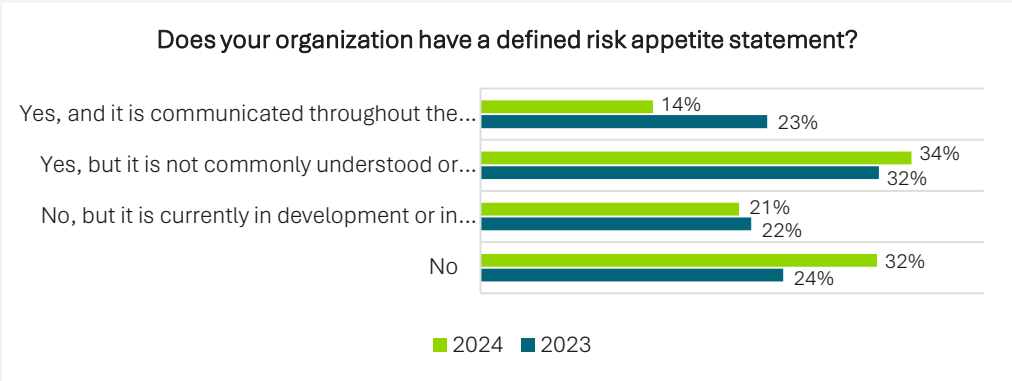
Risk Appetite

Does your organization have a defined risk appetite statement?

Similar to last year, 48% of respondents reported their organizations have a defined risk appetite statement. Additionally, the percentage of respondents indicating risk appetite statements are communicated throughout the organization and integrated into strategy and decision-making decreased this year from 23% to 14%. There was an increase in respondents indicating they do not have a risk appetite statement or that one is currently in draft form – 52% of respondents selected these responses in 2024, compared to 46% in 2023.

Respondents from organizations with longer-duration ERM programs were more likely to report having a risk appetite statement, with 57% indicating they have one, compared to 37% for organizations with shorter-duration ERM programs.

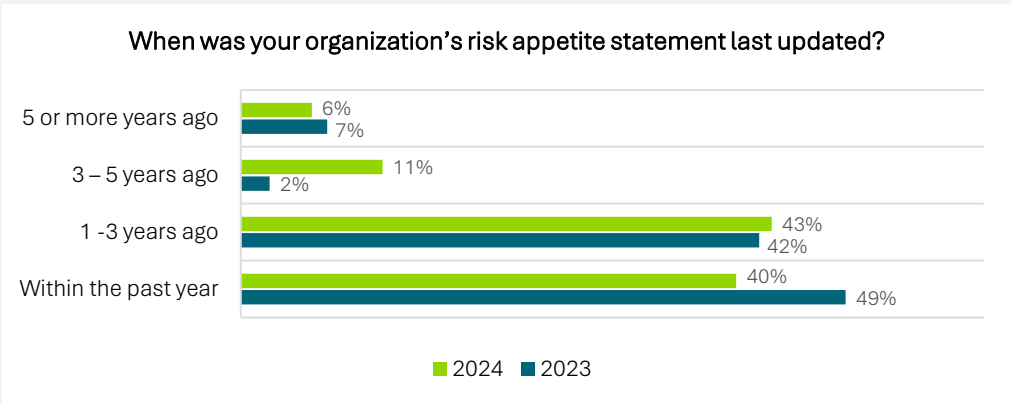
64% of ERM programs indicating their maturity level is “managed or optimized” had a risk appetite statement versus 11% of programs that indicated their maturity level was “initial or developing.”



When was your organization’s risk appetite statement last updated?

More than 8 out of 10 respondents (83%) from organizations having risk appetite statements indicated their statement has been updated within the last three years.

Organizations with a CRO-led ERM program (20%) were more likely to have a risk appetite statement that was updated more than three years ago than programs led by a non-CRO (0%).

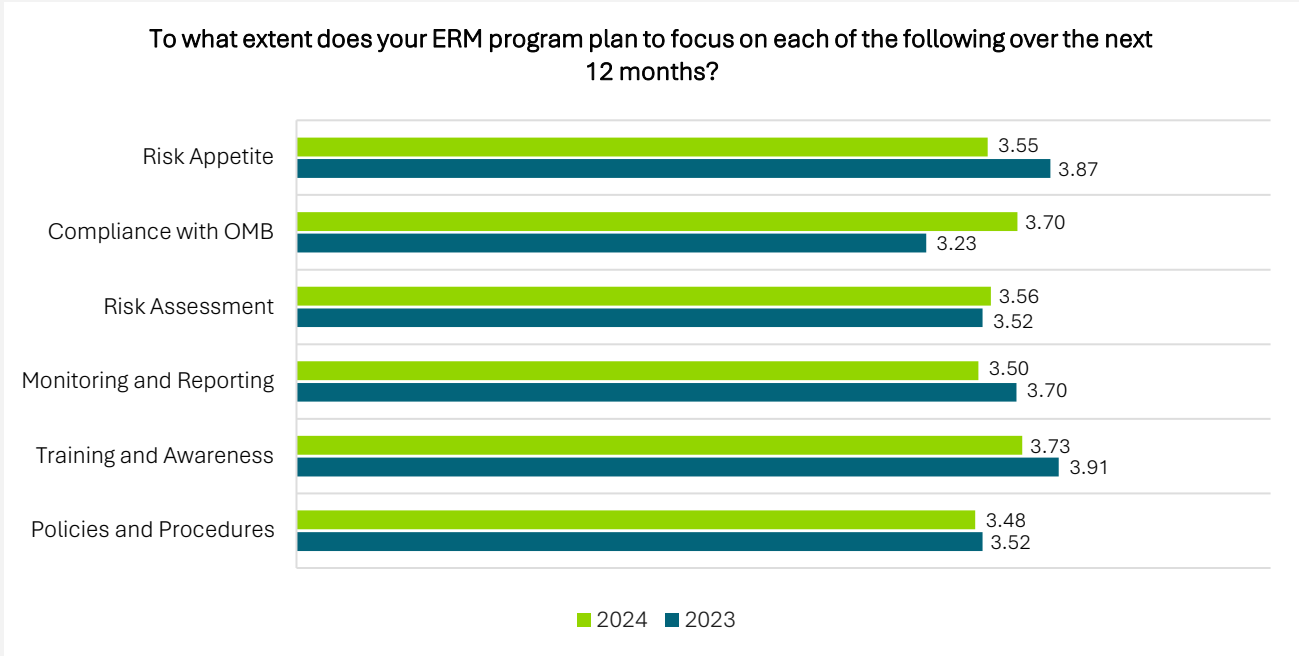


Focus and Priorities

Focus and Improvement Opportunities for the Next Year

To what extent does your ERM program plan to focus on each of the following over the next 12 months? (Results are depicted showing the average score for each of the five choices listed from the following scale: (1) Decrease significantly; (2) Decrease somewhat; (3) No change; (4) Increase somewhat; and (5) Increase significantly).

For the seventh consecutive year, “training and awareness” tops the list of focus areas for ERM programs over the next 12 months. “Risk assessment” replaces “risk appetite” for second place in this year’s results, but “risk appetite” remains a close third area of focus for 2025.



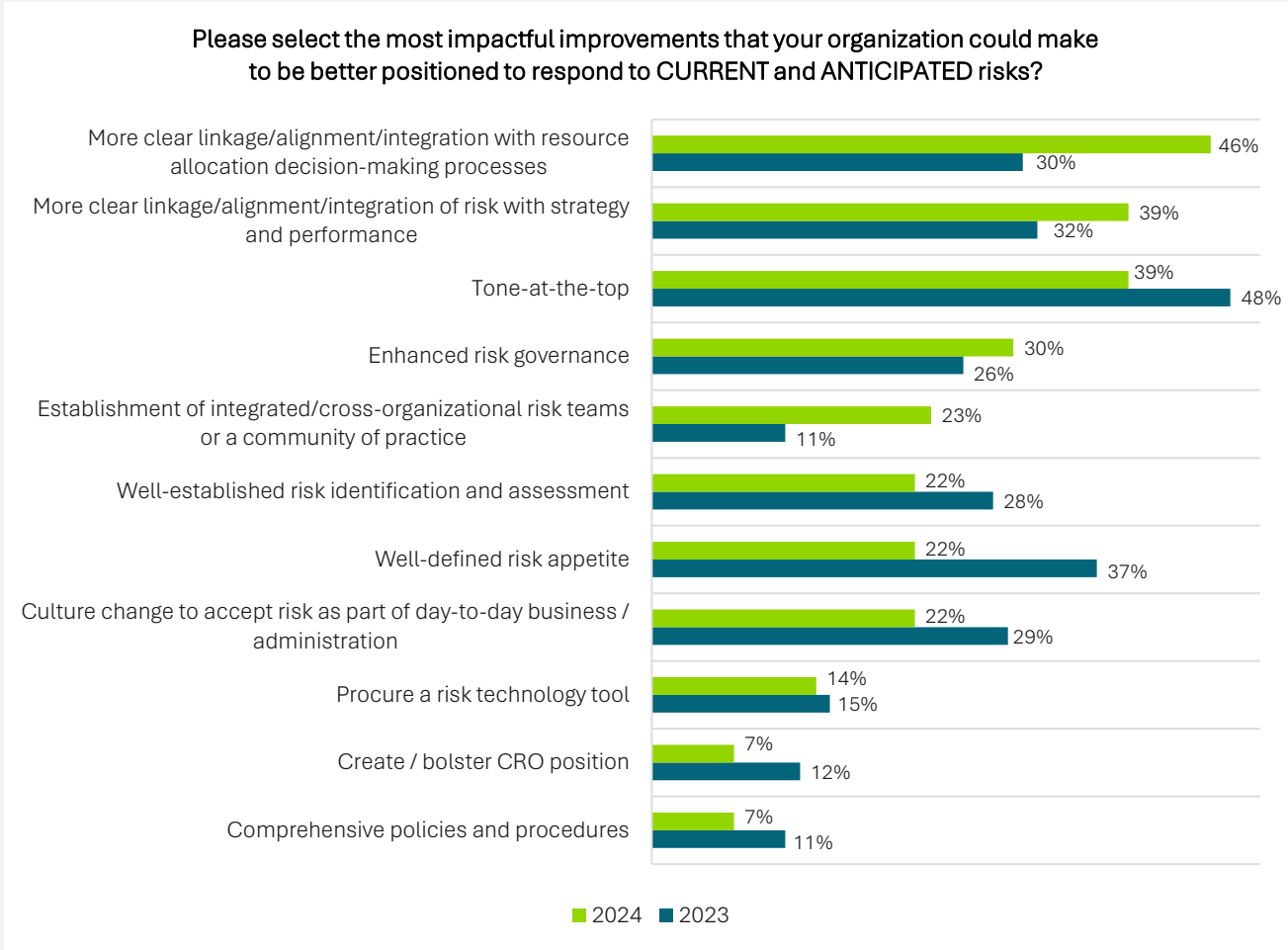
Focus and Priorities

Focus and Improvement Opportunities for the Next Year

Please select the most impactful improvements that your organization could make to be better positioned to respond to CURRENT and ANTICIPATED risks? Please select up to three.

This year, there was a significant change in the list of impactful improvements that organizations can make to respond to current and anticipated risks. Almost the entire list of top five changed over, and all rankings are different. The most impactful improvement cited this year is “more clear linkage/alignment/integration with resource allocation decision-making processes” (46%). Moving into second for the first time in four years is “tone-at-the-top, executive support for risk management” with 39% of respondents making this selection.

Tying for second spot with 39% of respondents citing this improvement is “more clear linkage/alignment/integration of risk with strategy and performance.” Entering the list for the first time is “enhanced governance” (30%) followed by “establishment of integrated/cross-organizational risk teams or a community of practice” (23%).



Focus and Priorities

Enterprise Risks

In this section, the focus and priorities for enterprise risks are explored from three perspectives:

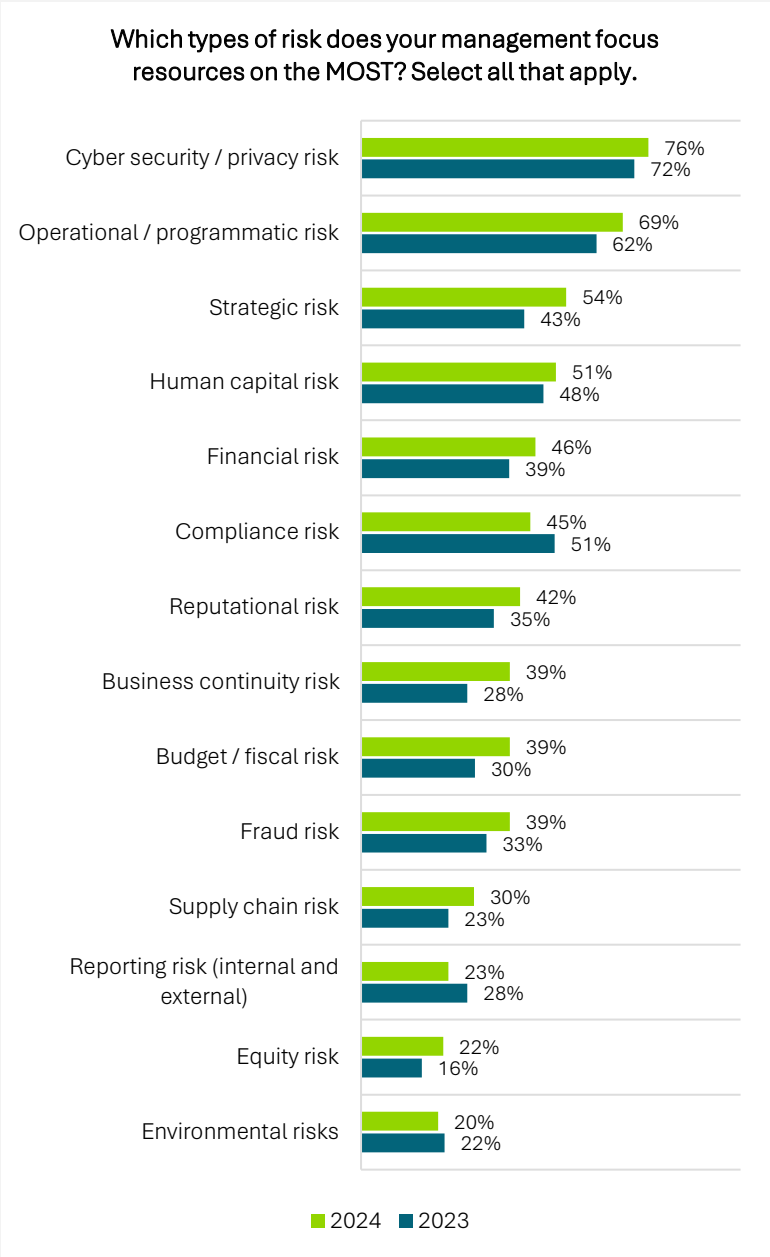
1. Management’s current focus on risks
2. Perception of risks *currently* believed to have the greatest impact on the achievement of strategic objectives, regardless of management’s focus
3. Perception of risks *anticipated* to have the greatest impact on the achievement of strategic objectives over the next 3-5 years, again regardless of management’s focus

Management’s current focus on risks

Which types of risk does your management focus resources on the MOST? Please select all that apply.

The rank and order of the top 5 risks on which management is focused changed slightly in 2024 compared to 2023. For the sixth year in a row, “cyber security/privacy” (76%) remains at the top of the list of risks that capture the greatest allocation of resources by management.

“Operational/programmatic risk” (69%,) remains in second place. Moving into the third position is “strategic risk” (54% up from 43% last year) followed by “Human capital risk” (51% up from 48% last year), and “financial risk” (46%, down from 43% last year) taking the fifth spot.



Focus and Priorities

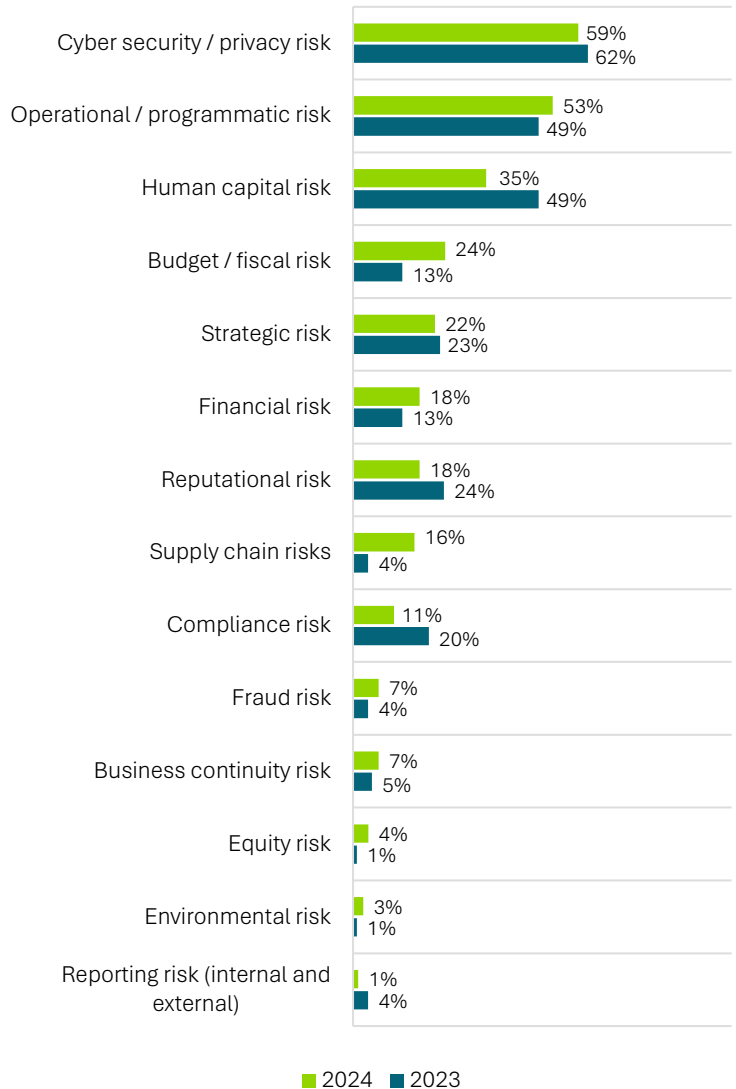
Enterprise Risks

Perception of risks currently believed to have the greatest impact on strategic objectives

Regardless of management focus, which types of risk are CURRENTLY perceived as the highest to your organization's ability to meet the mission or strategic objectives? Please select up to three.

In terms of risks currently perceived as having the most significant impact on organizations' ability to meet its mission or strategic objectives, regardless of actual management focus, **the rank order of responses this year is similar to the prior two years**, with "cyber security/privacy" at the top (59%, down from 62% a year ago), followed by "operational/programmatic risk" (53% up from 49% last year), "human capital risk" (35% down from 49% last year), "budget/fiscal risk" (debuts in the #4 spot at 24%, up from 18% last year), and "strategic risk" (22% down from 23%, a year ago) taking the fifth spot again this year.

Regardless of management focus, which types of risk are CURRENTLY perceived as the highest to your organization's ability to meet the mission or strategic objectives? Select up to three.



Focus and Priorities

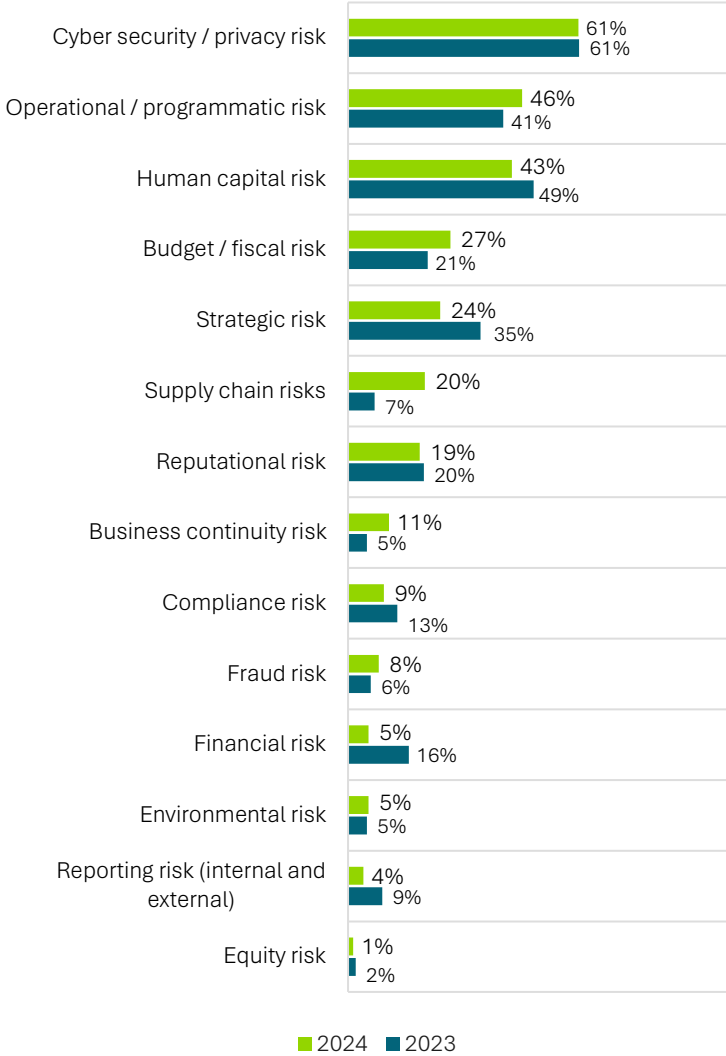
Enterprise Risks

Perception of risks anticipated to have the greatest impact on strategic objectives over the next 3-5 years

Regardless of management focus, which types of risk do you ANTICIPATE having the highest impact in the next 3-5 years on your organization's ability to meet the mission or strategic objectives? Please select up to three.

In terms of risks believed to have the greatest impact on strategic objectives over the next 3-5 years, **the rank order of the top risks changed this year**, with “cyber security / privacy risk” remaining in the #1 spot (61%, up from 50% last year) and “operational/programmatic” moving into second spot (46% up from 41% last year) “Human capital” (43%, down from 49% last year) is in the #3 spot, followed by “budget / fiscal risk” (27%, up from 21% last year) and “strategic risk” (24% down from 35% last year) rounding out the top five.

Regardless of management focus, which types of risk do you ANTICIPATE to have the highest impact in the next 3-5 years on your organization's ability to meet the mission or strategic objectives?
Please select up to three.



Focus and Priorities

Comparison: Current Management Focus vs. Perception of Current and Future Risks – Top Five Results

The following table summarizes the top five results for each of the previous three questions.

| Management’s Current Focus on Risks | Perception of Risks Currently Believed to have the Greatest Impact on Strategic Objectives | Perception of Risks Anticipated to have the Greatest Impact on Strategic Objectives Over the Next 3-5 Years |
|--|--|---|
| 1. Cyber security / privacy risk (76%) | 1. Cyber security / privacy risk (59%) | 1. Cyber security / privacy risk (61%) |
| 2. Operational / programmatic risk (69%) | 2. Operational / programmatic risk (53%) | 2. Operational / programmatic risk (46%) |
| 3. Strategic risk (54%) | 3. Human capital risk (35%) | 3. Human capital risk (43%) |
| 4. Human capital risk (51%) | 4. Budget / fiscal risk (24%) | 4. Budget / fiscal risk (27%) |
| 5. Financial risk (46%) | 5. Strategic risk (22%) | 5. Strategic risk (24%) |

As can be seen in the “Top 5” listings above, there continues to be high correlation across these categories for several risk types such as cyber security/privacy, operational/programmatic, human capital, and strategic which are in the top 5 rankings of all three categories, **indicating proper alignment between the perceived significance of the risk with the amount of management attention.**

However, as can be seen in the following charts, there continues to be **some risk types that are currently receiving significantly more attention from management compared to the perception of the current or perceived future risk**, including the areas of business continuity, compliance, fraud, financial, and reporting.

Many of these risk types have been cited in prior year surveys as areas of mismatch, **indicating a potential opportunity to reallocate resources that are currently being expended in these areas to focus on higher priorities and risks**, given the low sense of actual current or future risks to their organizations.

- 39% of respondents identified *business continuity risk* as one of the risks receiving the most management attention, while only 7% perceive it as one of their organization’s most significant risks, and only 11% see it as one of their most anticipated future risks.
- 45% of respondents identified *compliance risk* as one of the risks receiving the most management attention, while only 11% perceive it as one of their organization’s most significant risks, and only 9% see it as one of their most anticipated future risks.
- 46% of respondents identified *financial risk* as one of the risks receiving the most management attention, while only 18% perceive it as one of their organization’s most significant risks, and only 5% see it as one of their most anticipated future risks.
- 39% of respondents identified *fraud risk* as one of the risks receiving the most management attention, while only 7% perceive it as one of their organization’s most significant risks, and 8% see it as one of their most anticipated future risks.
- 23% of respondents identified *reporting risk* as one of the risks receiving the most management attention, while only 1% perceive it as one of their organization’s most significant risks, and only 4% see it as one of their most anticipated future risks.

Focus and Priorities

Comparison: Current Management Focus vs. Perception of Current and Future Risks



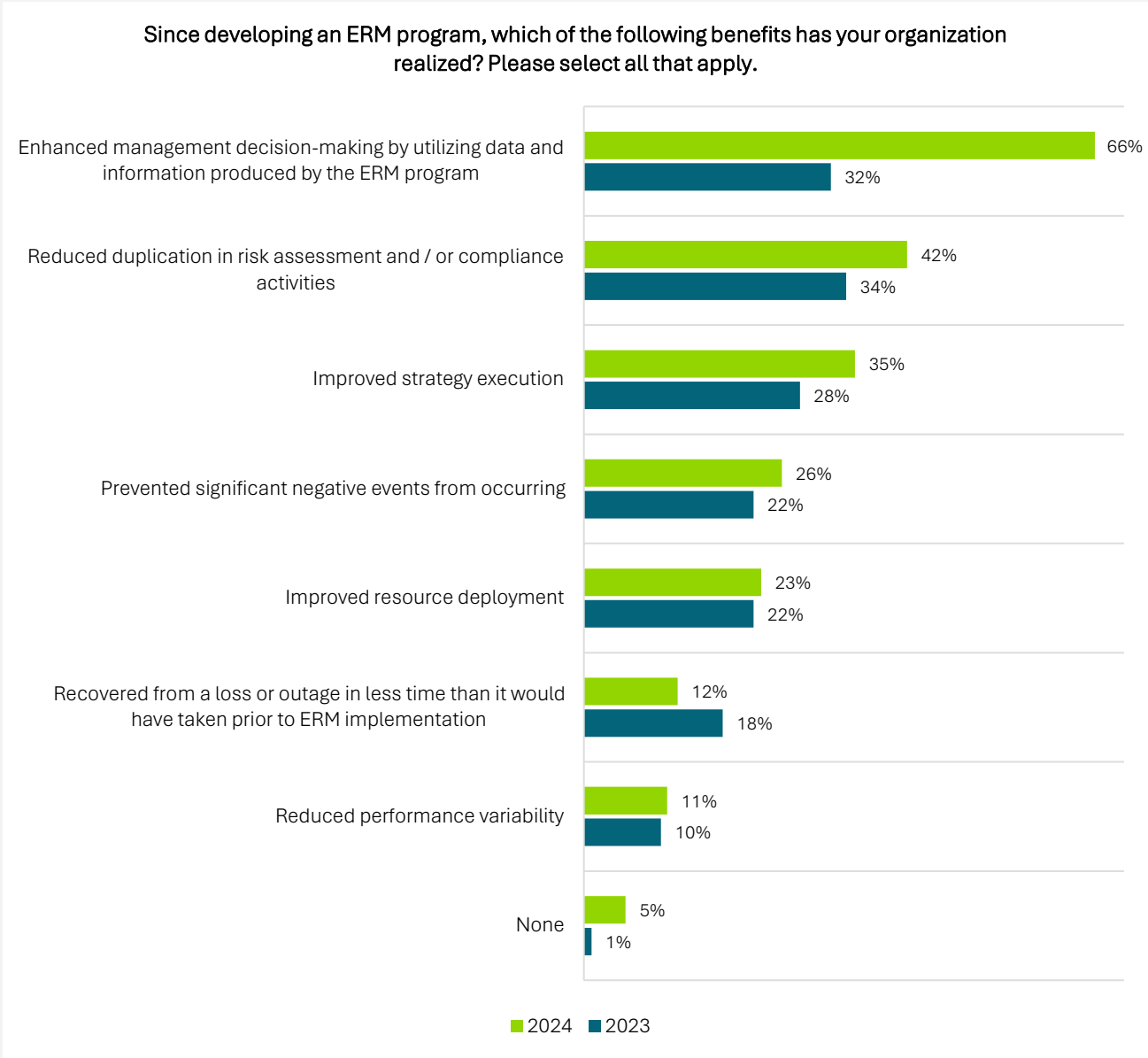
Execution, Performance, and Culture

ERM Benefits

Since developing an ERM program, which of the following benefits has your organization realized?

In 2024, “enhanced management decision-making by utilizing data and information produced by the ERM program” re-took the top spot for the most impactful benefit achieved by ERM with 66% of respondent’s citing this benefit. “Reduced duplication in risk assessment and/or compliance activities” is the second most-commonly-cited benefit realized by organizations since introducing their ERM program, with 42% of respondents selecting this response.

“Improved strategy execution,” (35%) was the third-most frequently cited benefit, followed by “prevented significant negative events from occurring” (26%) in fourth place and “improved resource deployment” (23%) rounds out the top five benefits achieved.



Execution, Performance, and Culture

Performance Evaluation of ERM Capabilities

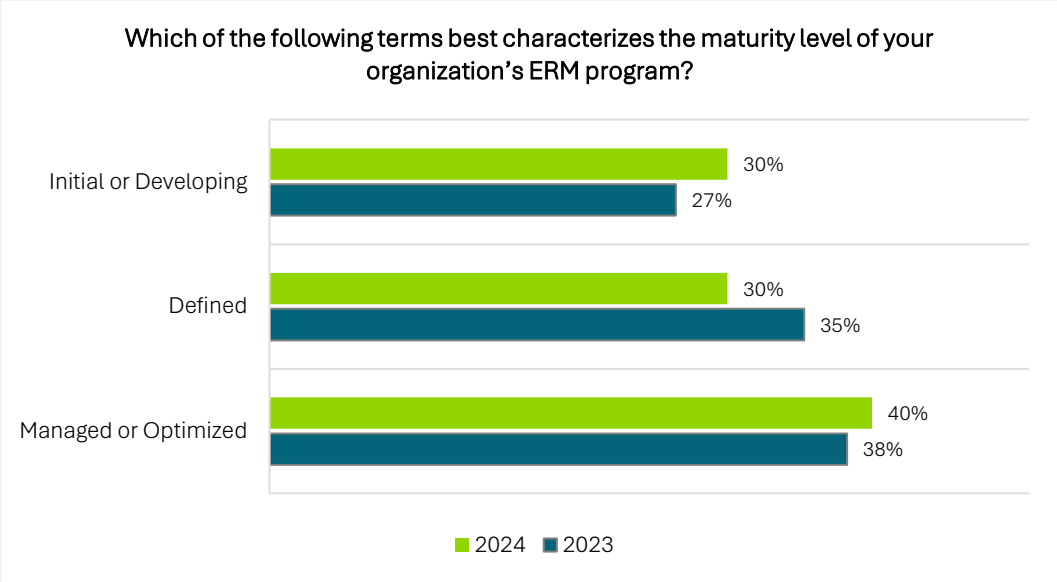
Which of the following terms best characterizes the maturity level of your organization’s ERM program?

As in prior years, the survey results show an upward trend in ERM maturity. In 2024, 40% of respondents characterized the maturity of their ERM programs as “Managed or Optimized” and 30% of respondents selected “Defined”. Responses for “Initial or Developing” also came in at 30%.

Not surprisingly, age of program remains aligned with capability maturity. In 2024, 90% of shorter-duration (less than three years) ERM programs characterized their level of maturity up to “Defined” (level 3), meaning 0% of shorter-duration ERM programs were considered “Managed or Optimized” (level 4 or 5).

Results were more distributed among longer-duration (greater than three years) ERM programs where 23% were considered “Initial or Developing” (level 1 or 2), 32% were considered “Defined” (level 3), and 45% were considered “Managed or Optimized” (level 4 or 5).

To a lesser degree, having an ERM program led by a CRO is also associated with higher maturity levels. In 2024, 41% of respondents with CRO-led ERM programs selected “Managed or Optimized” (level 4 or 5) compared to 35% of ERM programs led by a role other than CRO.



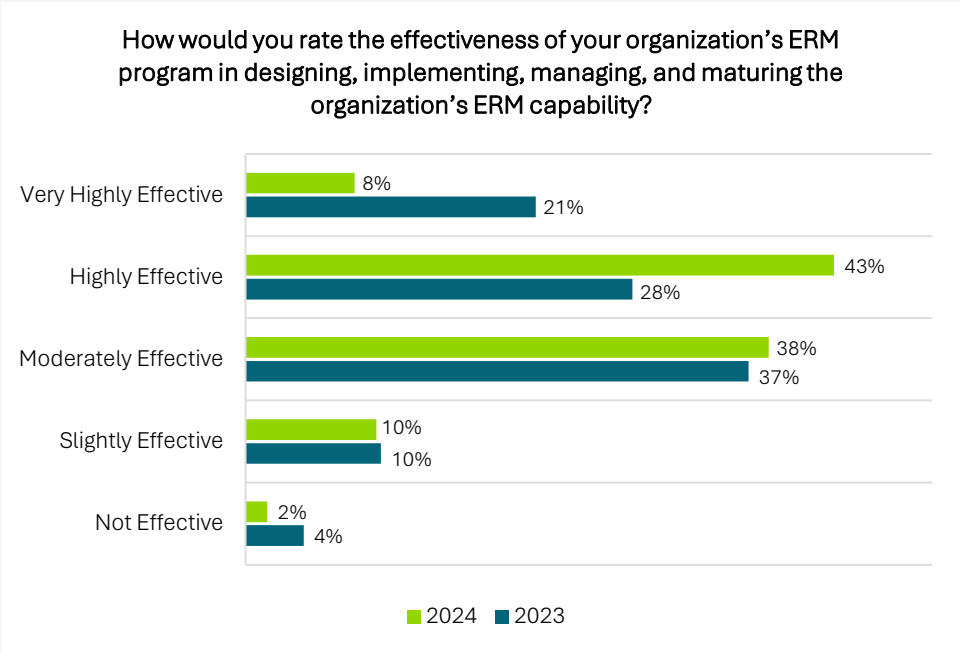
Execution, Performance, and Culture

Performance Evaluation of ERM Capabilities

How would you rate the effectiveness of your organization’s ERM program in designing, implementing, managing, and maturing the organization’s ERM capability?

This year, 51% of respondents (up from 49% last year) rated their ERM programs as either “very highly effective” or “highly effective” in designing and implementing the organization’s ERM capability, compared to 12% that are rated as either “slightly effective” or “not effective.”

The mean result for this question is 3.46. Responses were similar across demographic categories, with little variation across mean outcomes.



Execution, Performance, and Culture

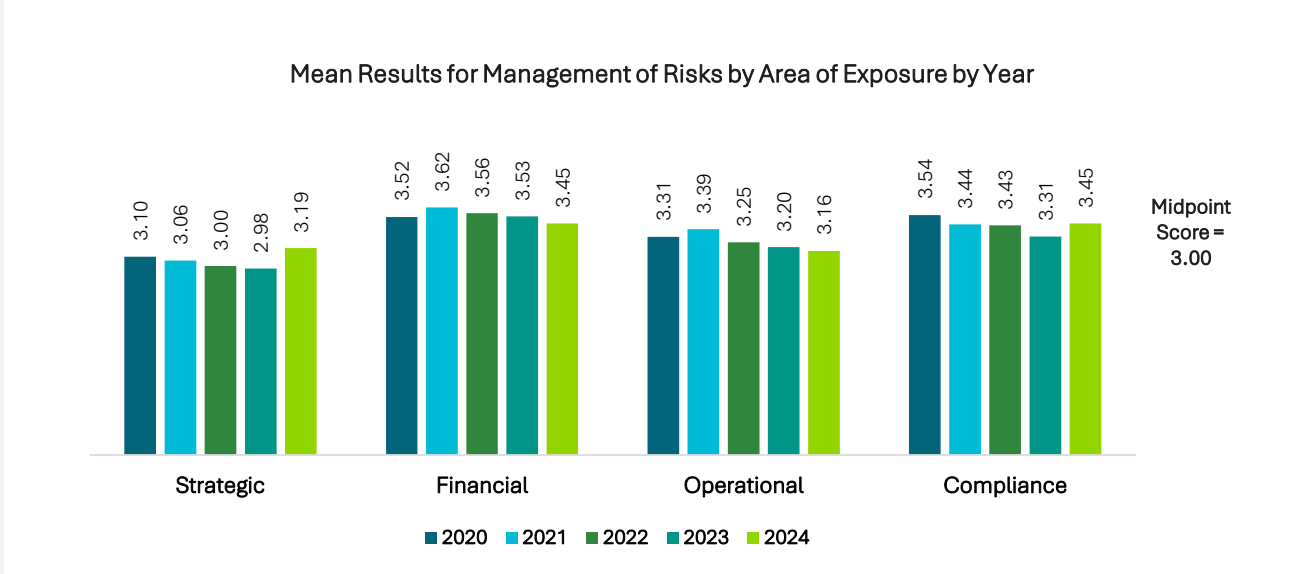
Performance Evaluation of ERM Capabilities

How well does your organization manage all areas of risk exposure?

The rank order of organizational ability to manage the different areas of risk changed this year. Scores around Strategic Risk showed a significant increase in mean scoring this year and moved passed Operational Risk into third place.

- 1. Financial Risk (mean = 3.45)
- 2. Compliance Risk (mean = 3.45)
- 3. Strategic Risk (mean = 3.19)
- 4. Operational Risk (mean = 3.16)

This year's results showed mixed results with improvements in Compliance Risk and Strategic Risk and downward results in Financial Risk and Operational Risk. However, performance for all risk categories this year are above the midpoint.



Execution, Performance, and Culture

Performance Evaluation of ERM Capabilities

How well does your organization prioritize and manage risk across the organizational structure as an interrelated risk portfolio rather than within individual silos?

Results in 2024 showed signs of improvements moving back towards the 2022 results which were the highest levels of performance. There was an increase in the percentage of respondents that selected “very well” to managing risk as an interrelated risk portfolio rather than individual silos, with results of 8% compared to 6% last year. In 2024, the mean response to this question increased to the midpoint of 3.00 compared to 2.91 in 2023.

Several demographic categories performed better than others in managing risks across silos. Respondents from organizations with ERM programs (mean = 3.15) outperformed those from organizations without ERM programs (mean = 2.18).

Organizations where the ERM program reports to the Agency Head (mean = 3.46) and where ERM is incorporated into SES performance plans (mean = 3.52) performed the best compared to the other demographics surveyed.



Execution, Performance, and Culture

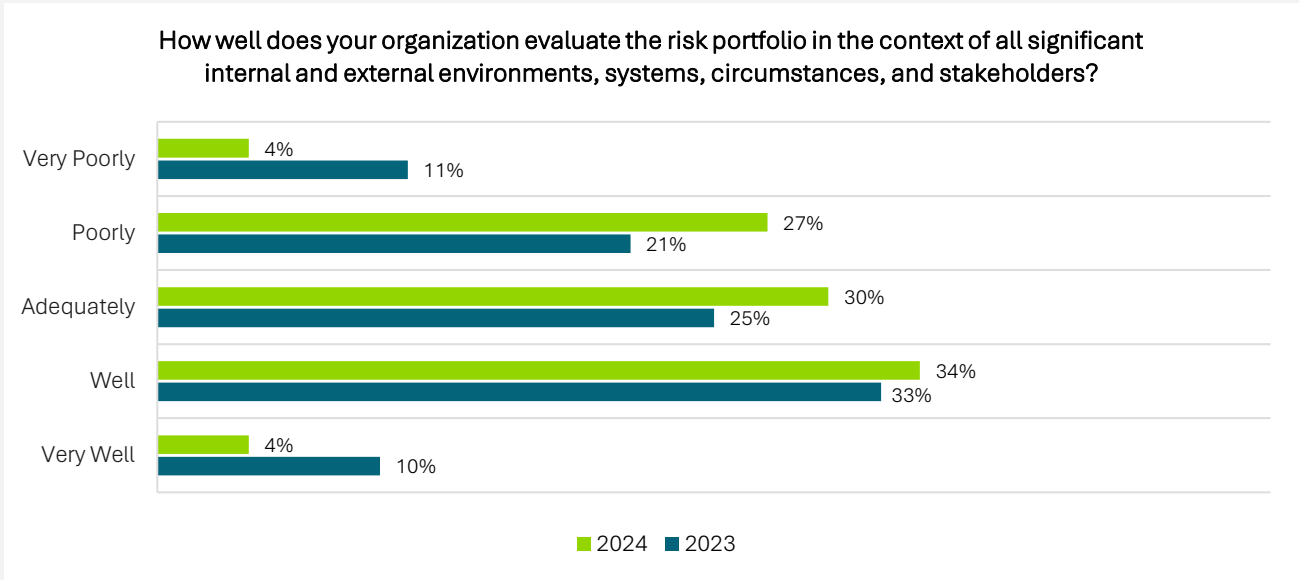
Performance Evaluation of ERM Capabilities

How well does your organization evaluate the risk portfolio in the context of all significant internal and external environments, systems, circumstances, and stakeholders?

The percentage of respondents that characterized as “very well” their ability to evaluate their risk portfolio in the context of all significant internal and external environments, systems, circumstances, and stakeholders as decreased slightly from 10% last year to 4% this year. While the mean response decreased slightly to 3.07 this year from 3.09 last year, this is the third year in a row that the mean score is above the midpoint of 3.00.

Among the groups that performed best at evaluating the risk portfolio in context are organizations where the ERM program lead spends more than 50% of their time on ERM and programs where ERM is included in SES performance plans.

Respondents from organizations where ERM programs have a lead that spends more than 50% of their time on ERM had a mean of 3.49 for this question, was higher than the mean for respondents where the ERM program lead spends less than 50% of their time on ERM (2.88). Among respondents where ERM is included in SES Plans, the mean score was 3.48, which is greater than the mean score for respondents where ERM is not included in SES performance plans (3.08).



Execution, Performance, and Culture

Performance Evaluation of ERM Capabilities

How do you rate how well your organization provides a structured process for the management of all risks?

The percentage of respondents that indicated their organization performs “very well” at providing a structured process for the management of all risks declined to 10% from last year’s all-time high of 16%. The mean result of 3.15 represents a decrease from last year’s mean score of 3.29.

Respondents where the ERM program lead spends more than 50% of their time on ERM and ERM is incorporated into SES performance plan were both more likely to claim greater performance in this area.

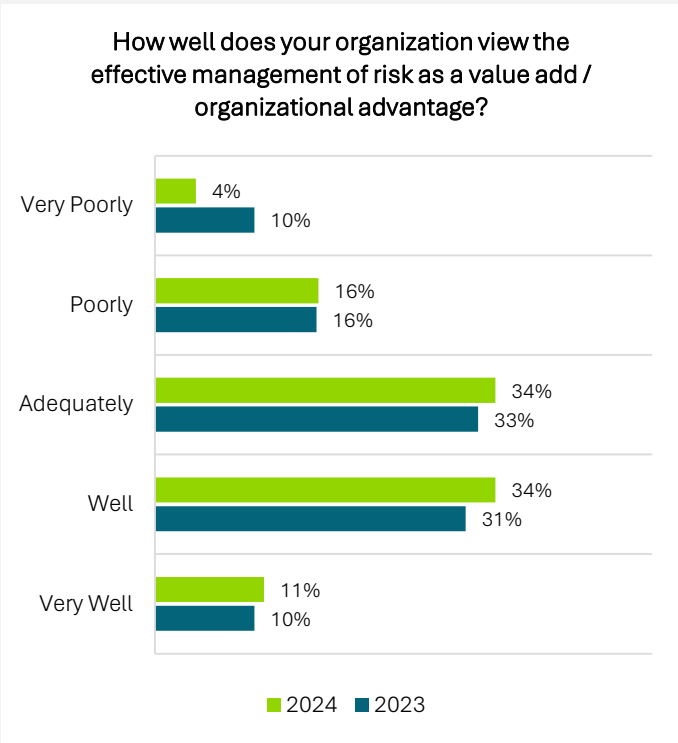
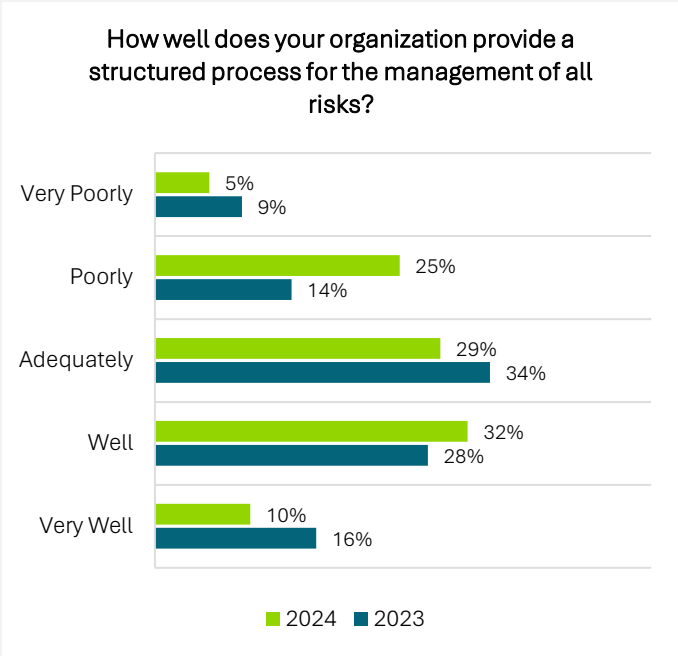
Respondents with formal ERM programs had a mean of 3.35, an increase from the mean of 2.00 for respondents without formal ERM programs.

Respondents with longer-duration ERM programs have a mean of 3.43, compared to the mean response of 2.89 for shorter-duration ERM programs.

How do you rate how well your organization views the effective management of risk as a value add / organizational advantage?

The mean response to this question increased from 3.15 last year to 3.32 this year. The percentage of respondents who rated how their organizations view effective risk management as “very well” or “well” as an organizational advantage rose slightly from 41% cumulatively in 2023 to 45% in 2024.

Having an ERM program that reports to the Agency Head and incorporating ERM into SES performance plans are both associated with greater performance in this area. Respondents with ERM programs that report to the Agency Head had a mean score of 3.77, an increase from the mean of 3.49 for respondents without formal ERM programs. Respondents where ERM is incorporated into SES performance plans have a mean of 3.92, which is greater than the mean response of 3.30 for programs where ERM is not included in SES performance plans.



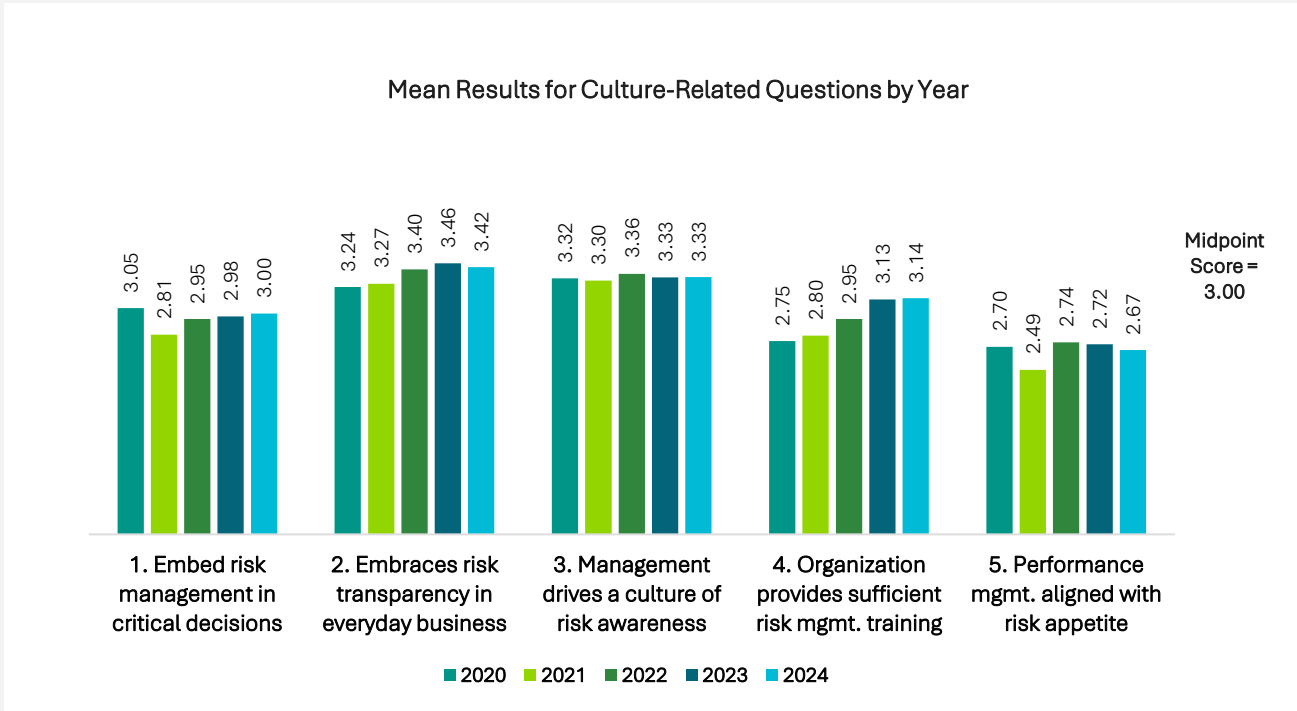
Execution, Performance, and Culture

ERM and Culture

As noted in the *Characteristics of ERM Programs* section of this survey, culture (“bridging silos across the organization” and “rigid culture and resistance to change”) and leadership-related challenges (“executive buy-in and support”) are prominent barriers facing organizations attempting to establish and maintain a formal ERM program. In addition, in the *Focus & Priorities* section, four out of the five most impactful improvements organizations could make to better position themselves for current and anticipated risks were culture-related.

Culture Trends: Responses to the culture-related questions this year **show modest improvements from the prior year**. Some of the mean scores of all relevant questions in this section increased this year.

Organizational characteristics that are more highly correlated with better adoption of the cultural tenets of ERM are organizations with formal ERM programs, organizations with longer-duration ERM programs, and organizations that include ERM or risk management in the performance plans for all Senior Executives.



Execution, Performance, and Culture

ERM and Culture

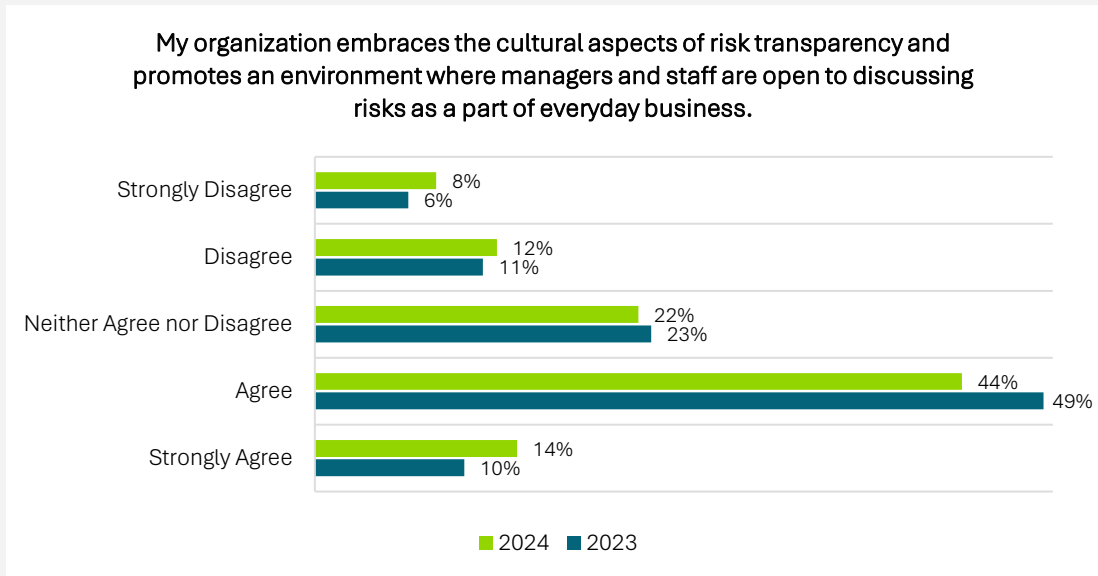
How do you rate how well your organization seek to embed risk management as a component in all critical decisions throughout the organization?

Less respondents this year (30%) compared to a year ago (33%) characterize as “well” or “very well” how their organizations seek to embed risk management as a component in all critical decisions. Similarly, the mean result for this cultural attribute increased slightly to 3.00 this year from 2.98 a year ago.



My organization embraces the cultural aspects of risk transparency and promotes an environment where managers and staff are open to discussing risks as a part of everyday business.

More than half of this year’s respondents (58%) either “agree” or “strongly agree” that their organizations embrace risk transparency and promote openness when discussing risk-related issues. With a small (nearly 1%) decrease in results compared to last year, embracing the cultural aspects of risk transparency is the highest-rated culture-related question in our survey this year (mean = 3.42 this year compared to 3.46 a year ago).



Execution, Performance, and Culture

ERM and Culture

In my organization, management drives a culture of risk awareness and openness through the tone at the top, which encourages employees to identify, report, and escalate potential risks.

This question regarding leadership’s role in establishing a culture that is open to transparent risk-aware behavior, has the same average response as last year, with a mean result of 3.33.

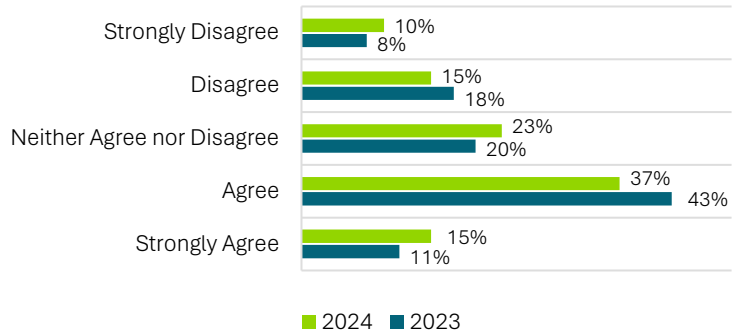
This is reflective of 52% of respondents indicating they “strongly agree” or “agree” (down from 54% in 2023) with the existence of this trait in their organization, compared to only 25% who “disagree” or “strongly disagree.” As the second highest-rated culture-related question in our survey this year, the only demographic category mean that failed to breach the midpoint response is organizations having no ERM program.

My organization provides sufficient risk management training for staff to carry out their risk management responsibilities effectively and efficiently.

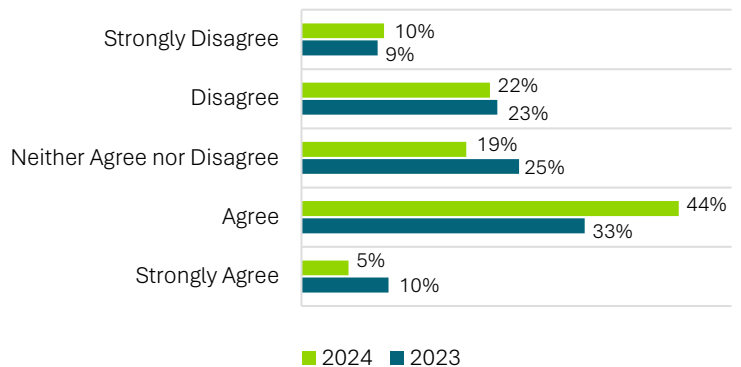
This year, more respondents cited sufficient ERM training, with 49% who “agree” or “strongly agree” with the statement, up from 43% in 2023. Respondents who responded “disagree” or “strongly disagree” was 32% which is the same as in 2023.

The overall mean response is 3.14 for 2024, up from 3.13 in 2023.

In my organization, management drives a culture of risk awareness and openness through the tone at the top, which encourages employees to identify, report, and escalate potential risks.



My organization provides sufficient risk management training for staff to carry out their risk management responsibilities effectively and efficiently.



Execution, Performance, and Culture

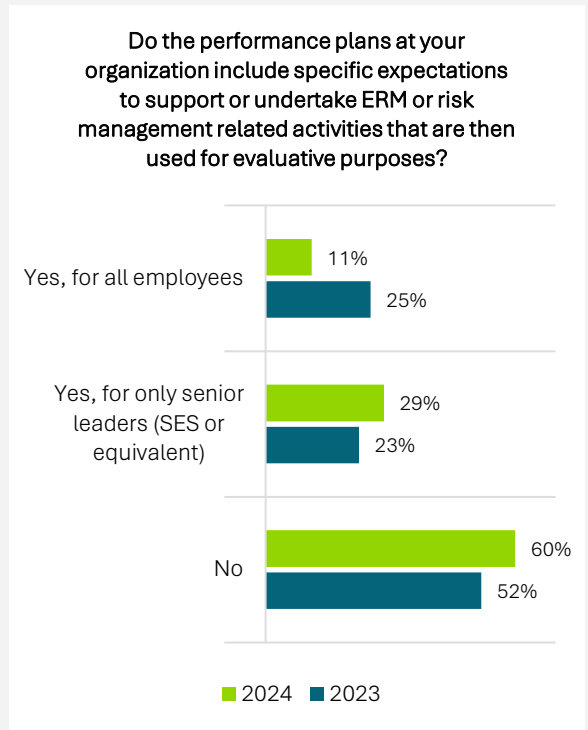
ERM and Culture

Do the performance plans at your organization include specific expectations to support or undertake ERM or risk management related activities that are then used for evaluative purposes?

While in 2023, the results showed an almost even split with 48% of respondents indicating that ERM is included in the performance plans of all employees or only for senior leaders (SES or equivalent) and 52% of respondents indicating ERM is not included in their organization's performance plans, this year 60% of respondents indicate ERM is not included in performance plans with 40% reporting that it is included in some way.

This year, 29% of respondents indicated ERM is included in senior leaders' performance plans compared with 23% in 2023, while only 11% **indicated ERM is included in all employees' performance plans compared with 25% in 2023.**

Shorter-duration (less than three years) ERM programs were less likely to have ERM included in performance plans (67% indicated "no"), whereas longer-duration (greater than three years) ERM programs included ERM in performance plans for all employees or only for senior leaders (25% each).



My organization's performance management system is designed in alignment with my organization's risk appetite and encourages an appropriate level of risk-taking in the pursuit of strategic objectives while maintaining accountability.

This year, 26% of respondents indicated they "strongly agree" or "agree" that alignment between their performance management system and risk appetite exists in their organization, compared to 45% of respondents that indicated they "disagree" or "strongly disagree." These results are very similar to 2023.

The mean result for this question decreased from 2.72 in 2023 to 2.67 in 2024; however, the mean response to this question remains the lowest in this *ERM & Culture* section.

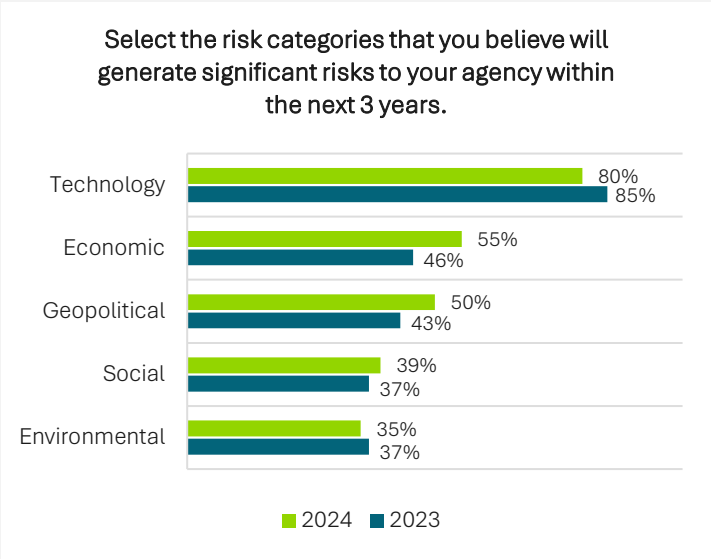
The only demographic categories in which the mean breached the midpoint response are organizations in which the ERM program leader reports to the agency head, the ERM program leader spends more than 50% of their time on ERM, and organizations in which ERM is included in all SES performance plans.



Emerging Risks

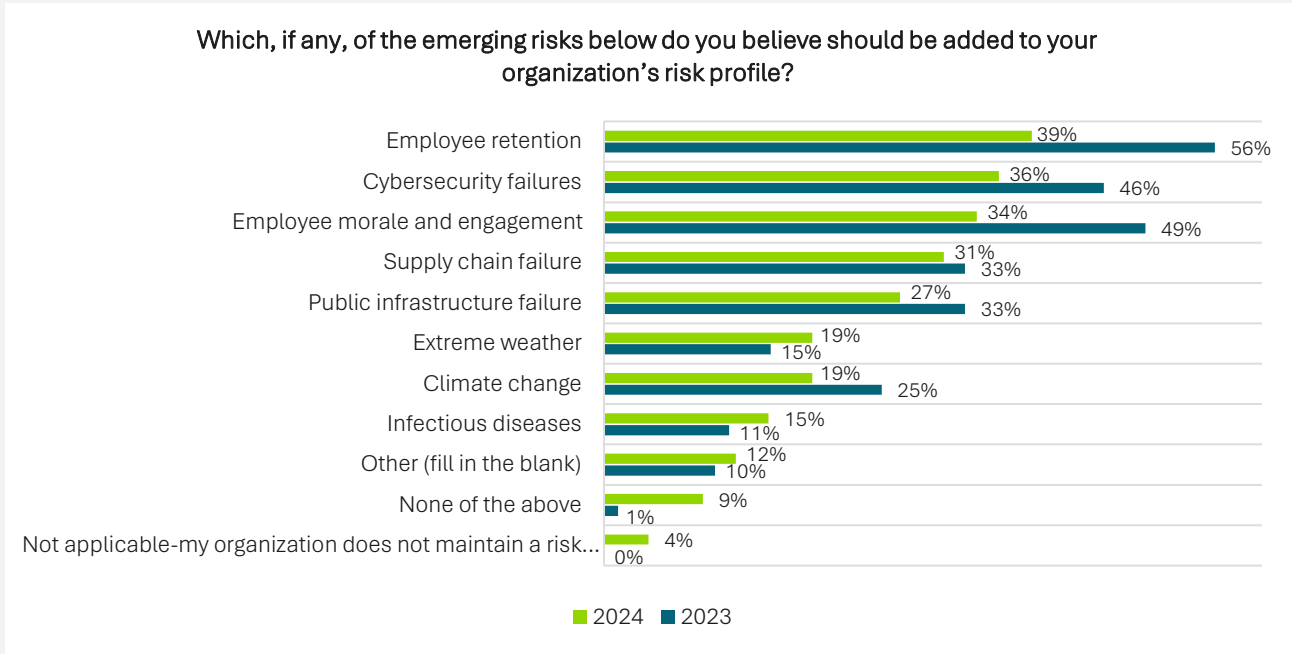
Select the risk categories that you believe will generate significant risks to your agency within the next three years.

More than 4 out of 5 respondents (80%) believe technology risks will generate significant uncertainty to their agency within the next three years, this is down from 85% in 2023. This was the most-frequently selected risk category, followed by the economic risk category (55%). These risk categories were the top two most-frequently selected emerging risks across nearly all demographic categories. The next three most-selected risk categories are not far behind the second-place category, with geopolitical risk coming in third (50%, up from 43% in 2023) and social risk (39% up from 37% in 2023) followed by environmental risk (35% down from 37% in 2023).



Which, if any, of the emerging risks below do you believe should be added to your organization’s risk profile.

In the 2023 survey, respondent’s indicated workforce-related risks should be added to their organization’s risk profile with a clear delineation between these risks and the other risks cited. In 2024, there was slight differentiation amongst the emerging risk categories.



Some respondents who selected the “other” response pointed to election related topics such as administration transition, extreme polarization of society, undue foreign influence and also that all of these topics are important or already included in their risk profile.

Mean Breakouts

Select Survey Results by Demographic Categories

This year’s survey included a total of 14 questions that requested responses consistent with a five-point Likert Scale, ranging either from “Strongly Agree” to “Strongly Disagree” or “Very Well” to “Very Poorly”. These questions fell into three broad categories:

- ERM Integration with Other Organizational Processes
- Performance Evaluation of ERM Capabilities
- ERM & Culture

The questions enable the calculation of mean results at both the overall question level as well as for each demographic category. The following tables provide those means as calculated for the six most prominent demographic categories. The integration questions were not posed to respondents from organizations without an ERM program.

The following table provides the long description of each demographic category, aligned to the shorthand notation used in the subsequent data tables.

| Shorthand Notation | Full Description | Shorthand Notation | Full Description |
|---------------------------|--|----------------------------|--|
| ERM = Yes | Organization has an ERM Program | ERM = No | Organization does not have an ERM Program |
| CRO-Led | ERM Program is led by a Chief Risk Officer | Non-CRO-Led | ERM Program is not led by a Chief Risk Officer |
| Report to Agency Head | ERM Lead reports to Agency Head or Board | Report to Other | ERM Lead reports to someone else |
| Lead > 50% on ERM | Lead spends more than 50% of time on ERM | Lead < 50% on ERM | Lead spends less than 50% of time on ERM |
| SES Plans - All | ERM is included in all SES Performance Plans | SES Plans - None | ERM is not included in SES Performance Plans |
| Longer Duration > 3 Years | ERM Program has existed for 3 or more years | Shorter Duration < 3 Years | ERM Program has existed for less than 3 years |
| Larger Agency Size >10k | Agency has more than 10k employees | Smaller Agency Size <10k | Agency has less than 10k employees |

Mean Breakouts

Select Survey Results by Demographic Categories

ERM Integration with Other Organizational Processes

To what extent has your organization integrated your ERM program with your...

Internal Control Program

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| CRO-Led | 3.38 | Non-CRO-Led | 2.71 | 24.9% |
| Report to Agency Head | 3.08 | Report to Other | 3.22 | -4.6% |
| Lead > 50% on ERM | 3.32 | Lead < 50% on ERM | 3.00 | 10.8% |
| SES Plans - All | 3.44 | SES Plans - None | 3.03 | 13.6% |
| Longer Duration > 3 years | 3.23 | Shorter Duration < 3 years | 3.00 | 7.5% |
| Larger Agency Size >10k | 3.13 | Smaller Agency Size <10k | 3.27 | -4.2% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

ERM Integration with Other Organizational Processes

To what extent has your organization integrated your ERM program with your...

Strategic Planning

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|--------------|
| CRO-Led | 2.93 | Non-CRO-Led | 3.29 | -11.0% |
| Report to Agency Head | 3.08 | Report to Other | 3.02 | 1.9% |
| Lead > 50% on ERM | 3.24 | Lead < 50% on ERM | 2.72 | 19.2% |
| SES Plans - All | 3.40 | SES Plans - None | 3.03 | 12.3% |
| Longer Duration > 3 years | 3.17 | Shorter Duration < 3 years | 2.22 | 42.6% |
| Larger Agency Size >10k | 3.28 | Smaller Agency Size <10k | 2.77 | 18.4% |

Budgetary Processes

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|--------------|
| CRO-Led | 2.93 | Non-CRO-Led | 3.29 | -11.0% |
| Report to Agency Head | 3.08 | Report to Other | 3.02 | 1.9% |
| Lead > 50% on ERM | 3.24 | Lead < 50% on ERM | 2.72 | 19.2% |
| SES Plans - All | 3.40 | SES Plans - None | 3.03 | 12.3% |
| Longer Duration > 3 years | 3.17 | Shorter Duration < 3 years | 2.22 | 42.6% |
| Larger Agency Size >10k | 3.28 | Smaller Agency Size <10k | 2.77 | 18.4% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

ERM Integration with Other Organizational Processes

To what extent has your organization integrated your ERM program with your...

Execution Processes (e.g., performance management and execution oversight)

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| CRO-Led | 2.60 | Non-CRO-Led | 2.65 | -1.8% |
| Report to Agency Head | 2.92 | Report to Other | 2.53 | 15.5% |
| Lead > 50% on ERM | 2.84 | Lead < 50% on ERM | 2.28 | 24.5% |
| SES Plans - All | 2.92 | SES Plans - None | 2.41 | 21.4% |
| Longer Duration > 3 years | 2.75 | Shorter Duration < 3 years | 1.78 | 55.0% |
| Larger Agency Size >10k | 2.78 | Smaller Agency Size <10k | 2.43 | 14.4% |

Performance Evaluation of ERM Capabilities

How well does your organization...

Design, Implement, Manage, and Mature the Organization’s ERM Capability

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| CRO-Led | 3.61 | Non-CRO-Led | 3.06 | 18.0% |
| Report to Agency Head | 3.62 | Report to Other | 3.42 | 5.7% |
| Lead > 50% on ERM | 3.74 | Lead < 50% on ERM | 3.04 | 22.9% |
| SES Plans - All | 3.60 | SES Plans - None | 3.37 | 6.9% |
| Longer Duration > 3 years | 3.53 | Shorter Duration < 3 years | 3.10 | 13.8% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

Performance Evaluation of ERM Capabilities

How well does your organization...

Prioritize and Manage Risk Across the Organizational Structure as an Interrelated Risk Portfolio

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.15 | ERM = No | 2.18 | 44.2% |
| CRO-Led | 3.24 | Non-CRO-Led | 2.88 | 12.6% |
| Report to Agency Head | 3.46 | Report to Other | 3.06 | 13.1% |
| Lead > 50% on ERM | 3.41 | Lead < 50% on ERM | 2.76 | 23.4% |
| SES Plans - All | 3.52 | SES Plans - None | 2.89 | 21.7% |
| Longer Duration > 3 years | 3.23 | Shorter Duration < 3 years | 2.67 | 21.0% |

Evaluate the Risk Portfolio in the Context of All Significant Internal and External Environments, Systems, Circumstances, and Stakeholders

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.24 | ERM = No | 2.09 | 55.0% |
| CRO-Led | 3.31 | Non-CRO-Led | 3.06 | 8.2% |
| Report to Agency Head | 3.23 | Report to Other | 3.24 | -0.4% |
| Lead > 50% on ERM | 3.49 | Lead < 50% on ERM | 2.88 | 21.1% |
| SES Plans - All | 3.48 | SES Plans - None | 3.08 | 12.9% |
| Longer Duration > 3 years | 3.34 | Shorter Duration < 3 years | 2.67 | 25.2% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

Performance Evaluation of ERM Capabilities

How well does your organization...

Provide a Structured Process for the Management of All Risks

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.35 | ERM = No | 2.00 | 67.7% |
| CRO-Led | 3.44 | Non-CRO-Led | 3.12 | 10.5% |
| Report to Agency Head | 3.38 | Report to Other | 3.35 | 1.1% |
| Lead > 50% on ERM | 3.62 | Lead < 50% on ERM | 2.96 | 22.4% |
| SES Plans - All | 3.52 | SES Plans - None | 3.24 | 8.5% |
| Longer Duration > 3 years | 3.43 | Shorter Duration < 3 years | 2.89 | 18.9% |

View the Effective Management of Risk as a Value Add/Organizational Advantage

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.55 | ERM = No | 2.00 | 77.4% |
| CRO-Led | 3.60 | Non-CRO-Led | 3.41 | 5.5% |
| Report to Agency Head | 3.77 | Report to Other | 3.49 | 8.0% |
| Lead > 50% on ERM | 3.70 | Lead < 50% on ERM | 3.32 | 11.5% |
| SES Plans - All | 3.92 | SES Plans - None | 3.30 | 18.9% |
| Longer Duration > 3 years | 3.62 | Shorter Duration < 3 years | 3.11 | 16.4% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

ERM & Culture

How well does your organization seek to embed risk management as a component in all critical decisions throughout the organization?

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.21 | ERM = No | 1.82 | 76.5% |
| CRO-Led | 3.16 | Non-CRO-Led | 3.35 | -5.9% |
| Report to Agency Head | 3.92 | Report to Other | 3.02 | 29.9% |
| Lead > 50% on ERM | 3.35 | Lead < 50% on ERM | 3.00 | 11.7% |
| SES Plans - All | 3.60 | SES Plans - None | 2.95 | 22.2% |
| Longer Duration > 3 years | 3.30 | Shorter Duration < 3 years | 2.67 | 23.8% |

My organization embraces the cultural aspects of risk transparency and promotes an environment where managers and staff are open to discussing risks as part of everyday business.

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.56 | ERM = No | 2.64 | 35.2% |
| CRO-Led | 3.49 | Non-CRO-Led | 3.76 | -7.3% |
| Report to Agency Head | 4.00 | Report to Other | 3.45 | 16.0% |
| Lead > 50% on ERM | 3.65 | Lead < 50% on ERM | 3.44 | 6.1% |
| SES Plans - All | 3.96 | SES Plans - None | 3.30 | 20.1% |
| Longer Duration > 3 years | 3.62 | Shorter Duration < 3 years | 3.22 | 12.4% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

ERM & Culture

In my organization, management drives a culture of risk awareness and openness through the tone at the top, which encourages employees to identify, report, and escalate potential risks.

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.53 | ERM = No | 2.18 | 61.9% |
| CRO-Led | 3.49 | Non-CRO-Led | 3.65 | -4.3% |
| Report to Agency Head | 3.85 | Report to Other | 3.45 | 11.5% |
| Lead > 50% on ERM | 3.68 | Lead < 50% on ERM | 3.32 | 10.7% |
| SES Plans - All | 3.92 | SES Plans - None | 3.27 | 19.9% |
| Longer Duration > 3 years | 3.60 | Shorter Duration < 3 years | 3.11 | 15.8% |

My organization provides sufficient risk management training for staff to effectively and efficiently carry out their risk management responsibilities.

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 3.32 | ERM = No | 2.09 | 58.9% |
| CRO-Led | 3.36 | Non-CRO-Led | 3.24 | 3.7% |
| Report to Agency Head | 3.46 | Report to Other | 3.29 | 5.4% |
| Lead > 50% on ERM | 3.43 | Lead < 50% on ERM | 3.16 | 8.6% |
| SES Plans - All | 3.64 | SES Plans - None | 3.11 | 17.1% |
| Longer Duration > 3 years | 3.40 | Shorter Duration < 3 years | 2.89 | 17.6% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

Mean Breakouts

Select Survey Results by Demographic Categories

ERM & Culture

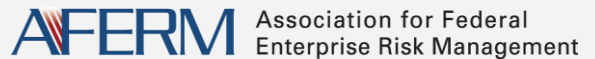
My organization’s performance management system is designed in alignment with my organization’s risk appetite and encourages an appropriate level of risk-taking in the pursuit of strategic objectives while maintaining accountability.

| Category | Mean | Category | Mean | Delta |
|---------------------------|------|----------------------------|------|-------|
| ERM = Yes | 2.81 | ERM = No | 1.91 | 47.0% |
| CRO-Led | 2.84 | Non-CRO-Led | 2.71 | 5.1% |
| Report to Agency Head | 2.92 | Report to Other | 2.78 | 5.3% |
| Lead > 50% on ERM | 3.05 | Lead < 50% on ERM | 2.44 | 25.2% |
| SES Plans - All | 3.16 | SES Plans - None | 2.57 | 23.1% |
| Longer Duration > 3 years | 2.87 | Shorter Duration < 3 years | 2.44 | 17.3% |

Legend

- Mean results greater than 3.20
- Mean results between 2.80 and 3.20
- Mean results less than 2.80
- % Delta greater than 25%
- % Delta between 10% and 25%
- % Delta less than 10%

About Us



Guidehouse

Guidehouse is a global consultancy providing advisory, digital, and managed services to the commercial and public sectors. Guidehouse is purpose-built to serve the national security, financial services, healthcare, energy, and infrastructure industries. Disrupting legacy consulting delivery models with its agility, capabilities, and scale, the firm delivers technology-enabled and focused solutions that position clients for innovation, resilience, and growth. With high-quality standards and a relentless pursuit of client success, Guidehouse's more than 17,000 employees collaborate with leaders to outwit complexity and achieve transformational changes that meaningfully shape the future. [guidehouse.com](https://www.guidehouse.com)

Association for Federal Enterprise Risk Management (AFERM)

AFERM is a professional organization dedicated to the advancement of federal Enterprise Risk Management (ERM). The Association shall serve its members by providing a forum for discussion of issues relevant to participants in the federal risk management profession, sponsoring appropriate educational programs, encouraging professional development, influencing governmental risk management policies and practices, and serving as an advocate for the profession. The Association serves government officials and the public by sponsoring efforts to ensure full and fair accountability for management of risk in achieving organizational objectives.

Acknowledgements and Contact Information

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