

OUTLIERS RISK MANAGEMENT CENTRE™

# Enterprise Risk Management Toolkit™

Stand up and run a complete, integrated ERM system

CRO / CFO / Risk Function · Access Tier T2 · Flagship Edition 2026

*Publication-ready resource for the Outliers Resource Library*

# 1. Full Guide

Enterprise Risk Management (ERM) is the integrated, enterprise-wide discipline of identifying, assessing, treating, monitoring and reporting the risks that could affect the achievement of objectives — governed against a defined risk appetite. This toolkit gives you everything required to establish or upgrade ERM: the operating model, the registers and templates, the checklists, the governance and the reporting.

## The ERM operating cycle

Run ERM as a continuous eight-step cycle:

1. Govern — set mandate, appetite and the operating model
2. Identify — surface risks using a common taxonomy
3. Assess — score likelihood and impact; quantify where possible
4. Respond — choose treat/tolerate/transfer/terminate
5. Control — implement and test controls
6. Monitor — track KRIs and changes in the profile
7. Report — provide decision-grade reporting to management and the board
8. Learn — capture incidents, losses and lessons

## Maturity model

L1 Fragile	L2 Functional	L3 Disciplined	L4 Strategic	L5 Resilient
Informal / reactive	Basic, siloed	Standardised & governed	Integrated & quantified	Predictive & embedded

Use the Enterprise Risk Maturity Assessment™ to score the current level and target the next.

## Implementation roadmap (90 days)

Phase	Weeks	Activities	Deliverables
Diagnose	1–3	Maturity assessment; stakeholder interviews	Maturity score & gap analysis
Design	4–6	Tailor framework, appetite, taxonomy, governance	ERM framework & policy; RACI
Build	7–10	Populate register; define KRIs; set controls	Enterprise risk register; KRI library
Embed	11–12	Train; launch reporting; culture activation	Board risk report; training pack
Assure	Ongoing	Test controls; benchmark; re-assess	Assurance map; re-score

# 2. Templates

## 2.1 Risk taxonomy (enterprise categories)

Category	Definition
Strategic	Risks to strategy, business model and value
Financial	Liquidity, credit, market, capital, reporting
Operational	Process, people, systems, external events
Compliance/Legal	Regulatory, legal, conduct
Technology/Cyber	Cyber, data, AI, technology
Third-Party	Vendor, supplier, outsourcing
Reputational	Brand, stakeholder, trust
ESG/Climate	Environmental, social, governance, climate
Fraud/Financial Crime	Internal/external fraud, bribery, corruption
People/HR	Talent, key-person, culture

## 2.2 Enterprise risk register (structure + sample)

Full working register supplied as Enterprise\_Risk\_Register.xlsx. Column structure:

Risk ID · Category · Risk Description · Cause · Consequence · Owner · Likelihood (1-5) · Impact (1-5) · Inherent Score · Inherent Rating · Existing Controls · Control Effectiveness · Residual Likelihood · Residual Impact · Residual Score · Residual Rating · Treatment Strategy · Action · Action Owner · Target Date · Status.

### Sample entries

ID	Category	Risk	L	I	Score	Rating	Treatment
ER-001	Financial	FX depreciation erodes import margin	4	4	16	Critical	Treat — hedge to 70%
ER-002	Cyber	Ransomware disrupts core systems	3	5	15	Critical	Treat — IR plan & backups
ER-003	Strategic	Disruptive competitor erodes share	3	4	12	High	Treat — accelerate roadmap
ER-005	Fraud	Procurement fraud via collusion	3	3	9	High	Treat — anti-fraud analytics

### 2.3 KRI library (sample)

Risk type	KRI	Threshold
Liquidity	Days cash on hand	≥ 60 days
Credit	Largest counterparty %	≤ 20%
Operational	Open critical control issues	0
Cyber	Open critical vulnerabilities	0
Compliance	Regulatory breaches YTD	0
People	Key-role vacancy duration	< 60 days

## 3. Registers

This toolkit ships with working spreadsheet registers (separate XLSX files): Enterprise Risk Register, Operational Risk Register, Strategic Risk Register, Incident Register and Loss Event Register — each with live scoring formulas, RAG conditional formatting, drop-downs and sample entries.

## 4. Checklists

### ERM implementation checklist

- Board-approved ERM policy and mandate in place
- Risk appetite defined with measurable tolerances
- Enterprise risk taxonomy adopted
- Risk register populated with owners and scores
- Treatment strategy set for every Critical/High risk
- KRI library defined with thresholds
- Controls documented and tested
- Board risk reporting on a set cadence
- Incident and loss capture operating
- Risk culture measured and acted upon
- Annual re-assessment scheduled

## Governance Structure

Risk is governed through three lines of defence under board oversight:

Layer	Role	Responsibility
Board	Oversight	Approves policy, appetite; oversees the risk profile
Risk / Audit Committee	Focused oversight	Reviews top risks, appetite, assurance
1st line — Management/owners	Own & manage	Identify, assess, control and report risk in operations
2nd line — Risk/Compliance	Oversee & challenge	Set framework, monitor, challenge, aggregate reporting
3rd line — Internal Audit	Assure	Independent assurance over the risk and control system

## Reporting Templates

### Standard enterprise risk report structure

- Executive summary & key messages
- Profile vs appetite (RAG)
- Top risks & movement
- KRIs and breaches
- Incidents & losses in period
- Actions & overdue items
- Decisions / escalations sought

### KRI reporting table (example)

KRI	Current	Threshold	RAG	Trend	Action
Days cash on hand	78	≥60	Green	Up	Maintain buffer
Open critical vulns	1	0	Red	Down	Emergency patch
Risks over appetite	2	0	Red	Up	Escalate to RC
Overdue actions	3	0	Amber	Up	Chase owners

## Board Reporting Example

*Illustrative one-page board summary (replace with live data):*

Item	Status	Commentary
Overall risk profile	Amber	2 risks above appetite (FX, cyber); both with active mitigation
Top risk movement	Amber	FX risk rising on naira volatility; hedging being increased
Control effectiveness	Green	93% of key controls effective; remediation on track
Emerging risks	Amber	AI-enabled fraud added to the watchlist
Decisions sought	—	Approve increased FX hedge ratio to 70%

## Disclaimer

*This toolkit is a professional management resource, not legal, regulatory or audit advice. Calibrate scoring scales, appetite, limits and governance to your organisation, sector and applicable regulation. Sector-specific requirements (e.g. prudential, data-protection, HSE) must be confirmed against current local regulation.*