ERM Frameworks and Models

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1. **COSO ERM Framework**
    - Developed by the Committee of Sponsoring Organizations; widely used framework organizing ERM around governance, strategy, performance, review, and information/communication.
2. **ISO 31000**
    - An international risk management standard providing principles and generic guidelines applicable across industries and organization types.
3. **Key Components Common to Most Frameworks**
    - Risk governance structure, risk appetite/tolerance definition, risk identification and assessment processes, and monitoring/reporting mechanisms.
4. **Risk Appetite vs. Risk Tolerance**
    - **Risk appetite**: the broad level of risk an organization is willing to accept in pursuit of its objectives.
    - **Risk tolerance**: the specific, measurable boundaries within that appetite for individual risk types.
5. **Choosing a Framework**
    - Organizations select or adapt a framework based on industry requirements, regulatory expectations, and organizational complexity.
6. **Why Frameworks Matter**
    - A structured framework ensures ERM is applied consistently across the organization rather than ad hoc, making it auditable and comparable over time.