



## U.S. ABILITYONE COMMISSION

**Policy 51.703**  
**Effective Date: February 12, 2026**

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### **TITLE: ENTERPRISE RISK MANAGEMENT PROGRAM**

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#### **1. PURPOSE.**

To establish an Enterprise Risk Management (ERM) policy for the U.S. AbilityOne Commission, to outline the roles and responsibilities of Commission leadership related to ERM, and to describe the Commission's risk management processes and procedures.

#### **2. APPLICABILITY.**

This policy applies to all Commission Directorates and components.

#### **3. AUTHORITY.**

- (a) 41 U.S.C. §§ 8501-8506, Javits-Wagner-O'Day (JWOD) Act
- (b) 41 Code of Federal Regulations (CFR) 51-2.2, Powers and Responsibilities
- (c) Federal Managers' Financial Integrity Act (FMFIA) of 1982, Pub. L. 97-255 (codified at 31 U.S.C. 3512) (Sept. 8, 1982).
- (d) Government Performance Results Act (GPRA) Modernization Act of 2010, Pub. L. 111-352 (Jan. 4, 2011).

#### **REFERENCES.**

- (a) Office of Management and Budget (OMB), *Management's Responsibility for Enterprise Risk Management and Internal Control*, Circular No. A-123 (July 2016)
- (b) Chief Financial Officers Council and Performance Improvement Council "Playbook: Enterprise Risk Management (ERM) for the U.S. Federal Government," (July 2016)
- (c) OMB, *Preparation, Submission, and Execution of the Budget*, Circular No. A-11, Part 6, §§ 260.29 – 260.32 (April 2021)
- (d) Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G (September 2014).



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**4. DEFINITIONS.**

| <b>Term</b>   | <b>Definition</b>  |
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| Executive Leadership Team (ELT)                             | Led by the Executive Director and oversees the development and implementation of processes used to analyze, prioritize, and address risks across the Commission. These risks include operational and administrative consequences that could impede the Commission’s ability to achieve its strategic objectives. The ELT is broadly responsible for ensuring that risks are managed to create value for agency stakeholders and in a manner consistent with established risk appetite and risk tolerance levels. |
| Enterprise Risk Management (ERM)                            | A comprehensive, agency-wide approach to risk management that joins together organizational systems and processes to improve decision-making quality and manage risks that may hinder the Commission’s ability to achieve strategic objectives.  |
| Enterprise Risk Management Senior Leadership Team (ERM SLT) | A Directorate-level working group that leads ERM activities under the supervision of the Chief Risk Officer (CRO) and oversees development and implementation of ERM processes the Commission uses to analyze, prioritize, and address potential or existing administrative or operational risks that could impact the Commission’s ability to achieve its strategic objectives.   |
| Key Risk Indicator (KRI)                                    | Measurement warning of risk potential, or that a risk is occurring or has occurred.  |
| Risk  | Potential for an unwanted outcome resulting from an incident, event, or occurrence, as determined by its likelihood and associated consequences.   |
| Risk Appetite   | Amount and type of risk the Commission is willing to pursue or retain.   |
| Risk Owner  | Person or organizational component provided risk management authority and accountable for managing assigned risks.   |
| Risk Issue  | A potential or existing event or condition requiring implementation of risk management processes and procedures to ensure the Commission achieves its strategic objectives.  |

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| Risk Tolerance | The acceptable level of variance in performance relative to the achievement of objectives. |
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**5. RESPONSIBILITIES.**

- (a) The Executive Director will:
  - i. Manage the Commission’s ERM portfolio and be accountable for effective ERM implementation; and
  - ii. Authorize ERM policies and issues guidance.
- (b) The Chief Risk Officer will:
  - i. Design, develop and implement the Commission’s ERM program; and
  - ii. Serve as the principal advisor to the Executive Director and Deputy Executive Director on all risk matters potentially impacting the Commission’s mission performance.
- (c) The ERM SLT will:
  - i. Lead ERM activities under the supervision of the CRO;
  - ii. Oversee development and implementation of ERM processes the Commission uses to analyze, prioritize, and address potential or existing administrative or operational risks that could impact the Commission’s ability to achieve its strategic objectives;
  - iii. Ensure risks are managed to create external value in a manner consistent with established risk appetite and risk tolerances levels;
  - iv. Respond to changes in the risk environment the Commission identifies through risk events, changes to internal controls, or significant changes to internal or external conditions that may or are expected to occur or have already occurred;
  - v. Develop and maintain ERM policies, processes, procedures, tools, mitigation, and information systems;
  - vi. Lead the Commission’s efforts in enterprise risk identification, assessment, prioritization, reporting, and monitoring;
  - vii. Oversee enterprise-wide communications for gathering data and developing risk reports; and
  - viii. Share information and provide subject matter expertise to support ERM program activities such as identification, validation, and assessments of enterprise risks.
- (d) Agency Directors will:
  - i. Serve as ultimate Risk Owners in accordance with the Commission’s ERM policy;
  - ii. Ensure their respective Directorate adopts and follows the Commission’s ERM policy framework, and participates in enterprise-wide risk management efforts;
  - iii. Implement consistent risk management practices aligned with ERM policy;

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- iv. Serve as primary representative to the Enterprise Risk Management Steering Group (ERMSG) and provide risk ownership for mitigation of risks throughout the ERM process, as necessary.
- v. Provide Directorate-level support in developing and implementing risk mitigation plans; and
- vi. Translate enterprise-level risks into Directorate-level risks limits.

**6. POLICY.**

- (a) Risk management is central to the Commission's mission, vision, and culture. A risk management approach must support the Commission's ability to identify, analyze, and appropriately respond to strategic risks across the full spectrum of Commission activities.
- (b) The CRO, working with the ELT, shall develop and implement the Commission's ERM framework across the organization. Through ERM, the Commission will:
  - i. Provide a structured, disciplined, and consistent risk assessment approach aligned with OMB guidance memo M-16-17, OMB Circular No. A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," (July 15, 2016);
  - ii. Identify strategic risks that threaten the Commission's achievement of long-term objectives and goals, and, through the ELT, manage those risks at the enterprise level;
  - iii. Ensure ERM maximizes the Commission's external value consistent with defined risk appetite and risk tolerance levels;
  - iv. Align internal strategies, processes, people, technology, and information to support agile risk management;
  - v. Provide greater risk transparency by improving understanding of interactions and relationships between risks in support of improved risk-based decision making;
  - vi. Establish clear accountability and ownership of risk.
- (c) Agency Directors will support the agency's ERM program in accordance with this policy, and apply the appropriate ERM processes, tools and techniques within their assigned responsibilities.
- (d) Since the Commission creates value through expanding employment opportunities for people who are blind or have significant disabilities, the Commission seeks practical and cost-effective solutions to reducing administrative and operational risks.
- (e) To effectively make risk-informed decisions that achieve its mission, the Commission will:
  - i. Evaluate and manage program priority risks arising from program performance, budget, reputation, compliance, and information technology security;
  - ii. Consider the interconnected and interdependent relationship of its central and nonprofit agency oversight responsibilities when assessing risks and risk mitigation plans;

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- iii. Recognize the need to balance program effectiveness with operational efficiency, cost, industry vitality, and customer satisfaction by taking a systems approach to risk management;
- iv. Evaluate the highest risk scenarios and the effectiveness of controls to apply finite resources commensurate with the risk level;
  - v. Strike a balance between countering known risks and hedging against unknown risks by using strategies such as continuous risk review and assessment and mitigation planning within its ERM operational framework;
- vi. Maintain flexibility to focus resources on the basis of program performance results and operational effectiveness;
- vii. Take decisive action responding to imminent threats with potentially damaging consequences, and maintains program effectiveness which may take precedence over other considerations; and
- viii. Evaluate risk levels and implement risk responses and monitoring to bring the risk within tolerance without over-controlling non-program related enterprise risks.

**7. PROCEDURES.**

- (a) Risk Appetite and Risk Tolerance. The ERM ELT, as facilitated by the CRO, will establish Commission risk appetite and risk tolerance levels based on the agency strategic objectives.
- (b) Risks Intake. The Commission Strategic Plan will serve as the primary source for building the Agency's risks register. ELT/SLT Risk Owners will analyze strategic objectives and goals to develop appropriate risks statements and corresponding mitigation plans.
- (c) Quarterly Updates. The CRO will facilitate quarterly ERM ELTs and SLTs as appropriate.
  - i. Risk Owners will submit mitigation plan updates, to include plan closure recommendations for concurrence by the Executive Director via the ELT.
  - ii. The CRO will document ELT management decisions through email notes to ELT and relevant Risk Owners at the conclusion of the ERM ELT meetings.
  - iii. The CRO will make updates to the risk register based on ELT meetings as appropriate; these will include, at a minimum, adjustments to risk ratings, closure of risk mitigation plans, and consolidation of risks or designating a risk as inactive.
- (d) ERM Maturity Model. The CRO will facilitate the Commission's adoption of an ERM Maturity Model and the establishment of associated criteria and process by which to access the ERM program maturity.

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**8. EXCEPTIONS.**

None.

**9. SUPERSESSION.**

This policy supersedes Commission Policy 51.703, dated November 22, 2021.

APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_

Kimberly M. Zeich  
Executive Director