ENTERPRISE RISK MANAGEMENT (ERM) IMPLEMENTATION UPDATE

Recent Activities

- As process owners submitted Risk Mitigation and Management Plans (RMM Plans), the ERM Implementation Committee (Committee) conducted numerous reviews and discussions about the RMM Plan deliverables (such as risk ratings, current mitigation activities, action plans, action due dates, etc.) The Committee provided recommendations to the process owners for their consideration and potential modification of their RMM Plans. In addition, edits were provided that addressed the following :
    - Explanation of acronyms and adding position titles, and
    - Specification of measurable action plans and requesting specific due dates

- The Committee developed heat maps which allowed comparisons between process owner risk ratings and the Presidential Cabinet's (Cabinet) initial prioritization of risks. Preliminary reviews of these heat maps indicated that the Cabinet's Top 12 risks were consistently scored by the process owners as having high impact and high likelihood of occurrence, thus confirming the relevance of those risks.

- At the request of the Cabinet, the Implementation Committee prioritized and combined the risk themes to assist in streamlining the focus of the ERM program. Consequently, the Committee has recommended thirteen themes (out of the original thirty-one) to the Cabinet for monitoring and evaluation over the next year.

- As of April 10, one of the thirty-one RMM Plans continues to be in development by the process owner.

- KPMG (the university's ERM program implementation consultant) recommended, as part of their project close-out, the development of a transition plan for the program. The ERM Implementation Committee recommended the transition to an ERM Steering Committee for a longer term approach to the program's oversight. Membership for the ERM Steering Committee should be evaluated to include administrators with strategic decision making responsibility and who will continue to facilitate the integration of the ERM program throughout the university. The transition plan will include defining ERM roles and responsibilities, and recommending the appointments of the Chief Risk Officer (CRO) and ERM Steering Committee Chairman.

- The Committee has drafted a transition plan that will transfer key documentation and resource materials to the CRO and ERM Steering Committee membership.

Next Steps

- The ERM Implementation Committee will discuss transitioning to an ERM Steering Committee with the Cabinet. The ERM Implementation Committee will also seek guidance for the establishment of the ERM Steering Committee Chairman and CRO.

- The ERM Steering Committee will propose to the Cabinet that RMM Plans be reviewed on a rotating schedule. This schedule will provide a structured opportunity for the monitoring and evaluation of these RMM Plans by the cabinet. Process and risk owners will be requested to provide brief status reports on RMM Plan milestones and its effectiveness to date.

- The CRO and ERM Steering Committee will continue to monitor RMM Plan status, emerging risks, evaluation of obstacles, and provide feedback to the Cabinet.

- All parties with ERM responsibilities will continue to be tasked with encouraging and facilitating the sustainability of the ERM program at the university.

- After the first year of transition, Assurance Services will be considered independent from the implementation and able to review the on-going ERM program status, as recommended by the International Standards for the Professional Practice of Internal Auditing.