

Vice Presidents Meeting

Enterprise Risk Management

What is Enterprise Risk Management?

- An organization-wide systematic approach to identify and tactically manage risk vs. silo or transactional approach
- A tool to identify and reduce obstacles in reaching the *Quest for Distinction* goals
- A process to create quick, decisive plans to react to unexpected occurrences
- A framework to manage reputational risk

Vice Presidents Meeting

Enterprise Risk Management



- *Strategic Risk – high-level goals aligned with the mission (i.e. Quest)*
- *Operational Risk – ongoing management processes*
- *Financial Risk – protection of assets*
- *Compliance Risk – adherence to laws and regulations*

Vice Presidents Meeting

Enterprise Risk Management

VCU's Selected ERM Approach:

- **Measurement-driven Approach**

- Middle-up, take advantage of current experience, use current operational staff

vs.

- **Current Risk Identification Approach**

- Top-down, try to eliminate risk, silo approach

- **Process-driven Approach**

- Bottom-up, take significant time and expense, possible failure from being too detail oriented

Vice Presidents Meeting

Enterprise Risk Management

Charge:

Audit & Compliance Committee Chairman, President Rao and VP for F&A have expressed need for an ERM Program

Project to date:

Research best practices of selected universities with ERM programs

Whitepaper and presentation - May, 2012 BOV Meeting

Rector requested VCU proceed and report on quarterly progress to Committee

Vice Presidents Meeting

Enterprise Risk Management

ERM Steering Committee has been established with the identification of following representatives:

- Kevin Allison, Academic Assistant to the President
- Amy Sebring, Associate Dean for School of Medicine
- Tricia Perkins, University Controller
- David Litton, Director University Audit and Compliance

Project Owners: Senior Management

Committee Oversight: David Hanson and Bill Cole

Vice Presidents Meeting

Enterprise Risk Management

Next Steps:

- Interview universities about what ERM techniques worked including the use of consultants
- Identify list of people to survey/interview – considering AVP and Dean levels
- Determine Methodology for assessments:
 - **Identify question sets**
 - **Facilitate brain-storming sessions**
 - **Classify risks**
 - **Consolidate risks**
 - **Prioritize risks**
- And much more, including development of risk management plans and reporting approach