

# Compliance, Audit, Risk Management and Legal Affairs Committee

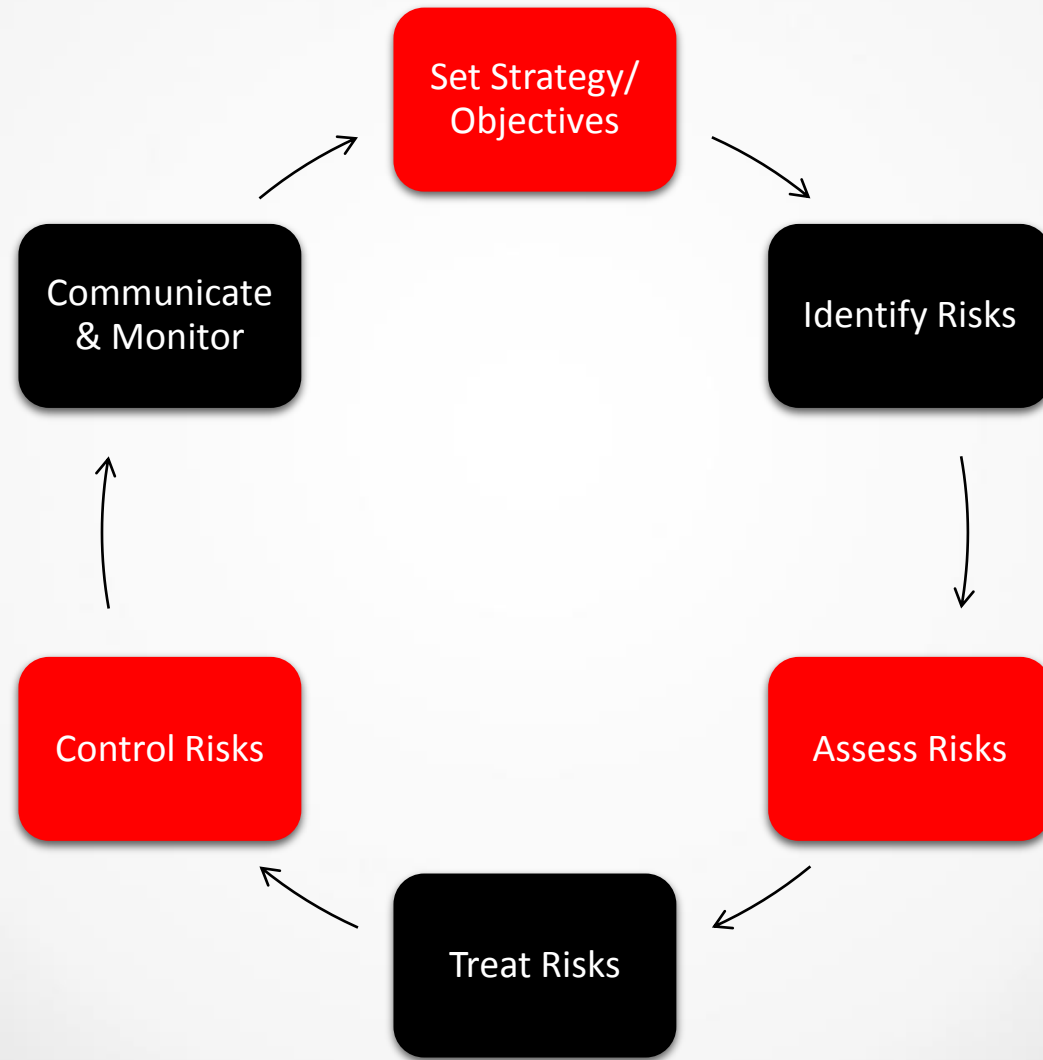
## Enterprise Risk Management Update

Alan D. Phillips

Vice President for Administration and Finance  
Northern Illinois University

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# A Continuous Risk Management Process



# Core ERM Team

- Prof. Timur Gok (Dept of Finance),
- Scott Mooberry (Acting Director, Environmental Health and Safety),
- Emily Hochstatter (Compliance Coordinator, Risk Management),
- Jonathan Cavell (Program Administrator, Strategic Innovation and Planning),
- David Stone (AVP Strategic Innovation and Planning),

**Role:** Develop data collection tools, Conduct all information collection (leadership, unit leadership, unit level); Develop and conduct scenario-based risk exercises; Work with risk owners to develop and implement control and mitigation plans

# ERM Team

- Prof. Timur Gok (Finance)
- Alan Phillips (CFO)
- Scott Mooberry (EH&S)
- John Heckmann (AVP Facilities)
- Sue Mini (Assoc Provost)
- Greg Brady (Legal Services)
- Brett Coryell (VP, DoIT)
- Celeste Latham (AVP HR)
- Katrina Caldwell and Kelly Wesener Michael (Student Affairs and Enrollment Management)
- Emily Hochstatter (Risk Management)
- Mike Stang (Housing)
- Debra Boughton (Senior Assoc AD, Athletics)
- Foundation (TBD)
- Jerry Blazey (Research and Innovation Partnerships)
- Larry Pinkelton (AVP, Finance)
- David Stone (AVP Strategic Innovation and Planning)
- Vernese Edghill-Walden (VP Diversity),

**Role:** Set criteria and definitions; Review unit level risk information; Assess Risk; Identify cross-cutting risks; Prioritize risks; Review mitigation and control plans; Develop plans for ERM infrastructure going forward.

# Risk Considerations

## Risk Areas

- Academic Affairs
- Ancillary Services
- Enrollment/Financial Aid
- External Affairs
- Facilities
- Governance/Management
- Human Capital
- International/Abroad
- Information Technology
- Research
- Student Affairs
- Other

## Risk Types

- Financial
- Health & Safety
- Operational
- Reputational
- Strategic

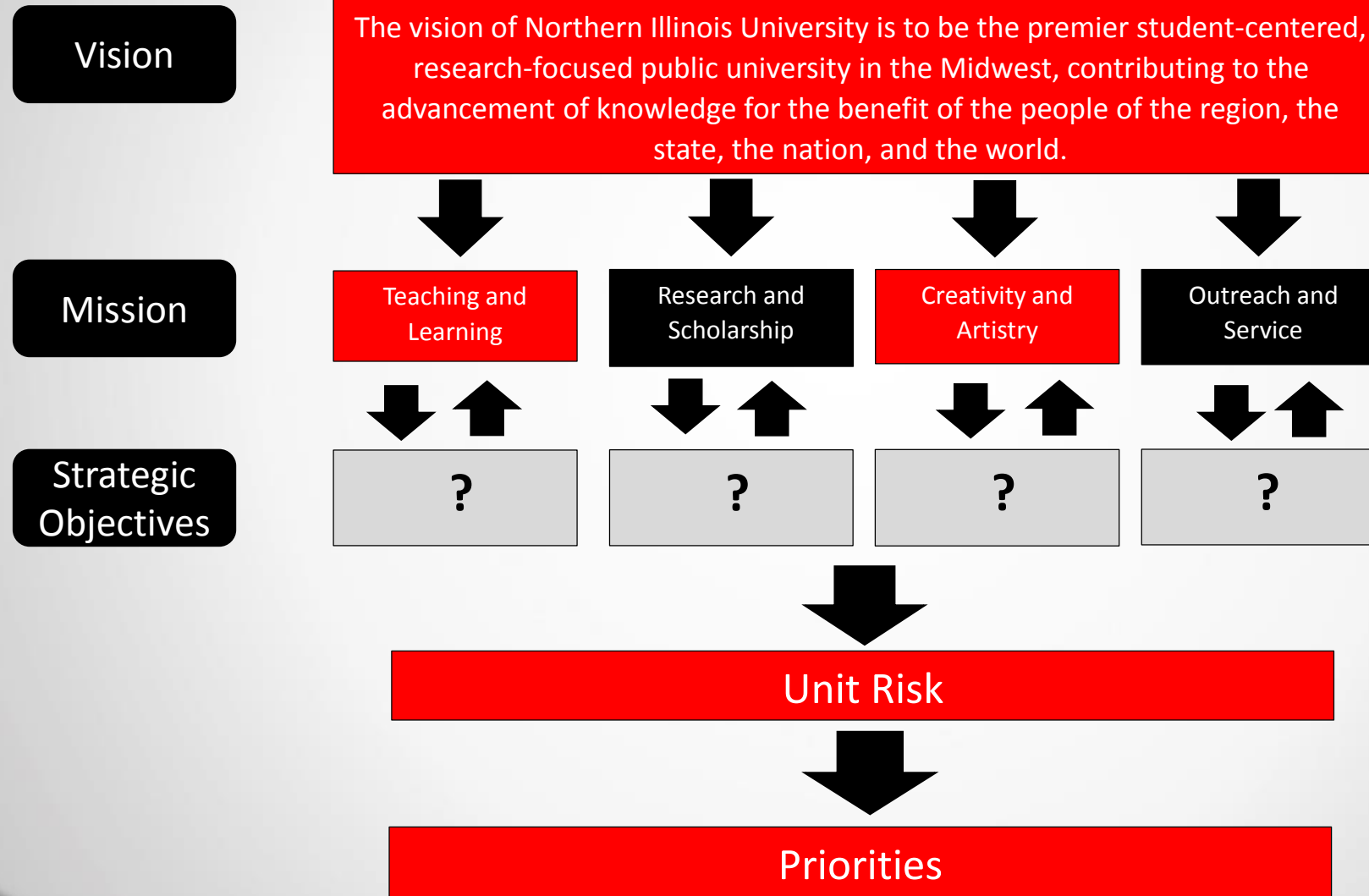
## Additional Distinctions

- Internal
- External
- Emerging

# Statements of Reference

- What are NIU's principal activities?
- What is the relative importance of those activities?
- What is the nature of the risks inherent in those activities?
- How do we assess the potential severity of the risks inherent in those activities?
- How severe could a risk event related to one of those activities be?
- Given the potential of a given risk, how effective are our control mechanisms for reducing the risk inherent in that activity to an acceptable level?
- Given the potential risks and severity of that activity and the effectiveness of our control strategies for it, how likely is it that we will experience a risk event for that activity?

# Strategic Objectives



# Process Activities

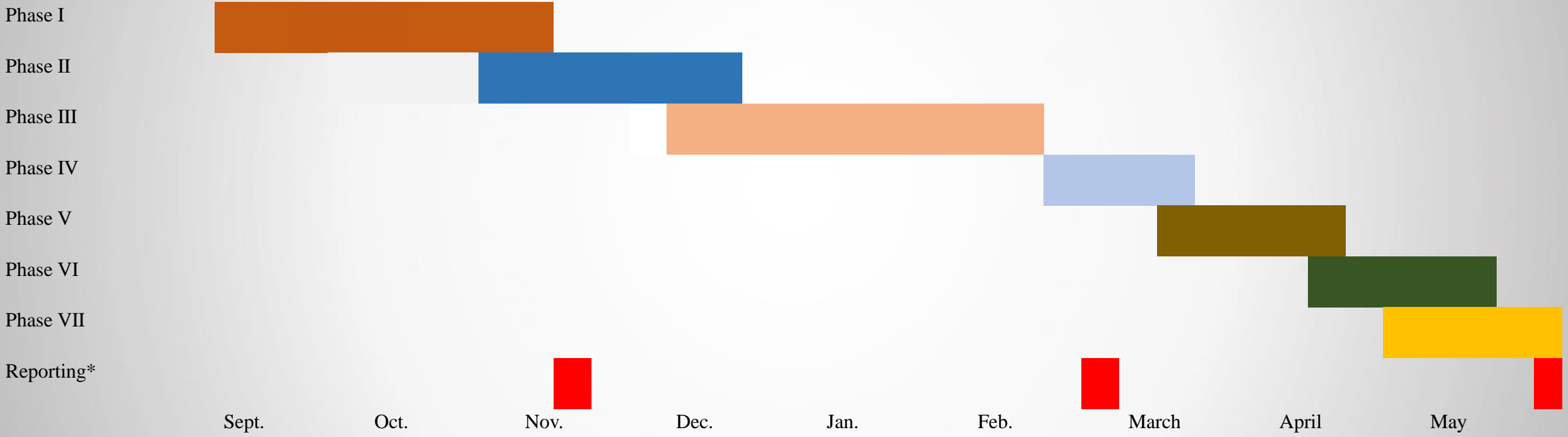
- Phases I: Identify strategic goals, key risks, establish risk appetite, identify risk champion
- Phases II-III: Gather information from unit leadership and unit staff in each of the risk areas to: Identify risks factors, existing control mechanisms, and opportunities by functional areas.
- Phase IV: Convene Full ERM Team to merge the risk and opportunity maps and the gap analyses in order to prioritize risk management needs and potential opportunities in line with institutional strategic goals, and to identify interactions, if any, among risk factors and or opportunities across functional areas.
- Phase V: Design action plans for control and mitigation of risks or key activities to realize opportunities and timelines, and identify resource needs for implementation and meet with risk owners from each unit or area individually to elicit resources needs and timelines.



# Process Activities, cont'd

- Phase VI: Communicate resource needs and proposed action plans and timelines to the Board, the President and key decision-makers
  - Present to the board a risk and opportunity profile scorecard to indicate risks that require attention at the level of the board and university leadership.
  - Prepare a “Master Risk Management Action Plan” to be presented to the Board which identifies key risks and opportunities and resource requirements for control, mitigation, and action.
- Phase VII: Design dashboards and set timelines to monitor progress
  - Provide a dashboard to risk owners and to University leadership that tracks key risks and opportunities on the scorecard.
  - Set communication and reporting policies with risk owners to track control, and mitigation activities in line with the Action Plan.
  - Establish risk infrastructure
  - The ERM Team will monitor progress and report outcomes to the Board, the President and key decision-makers on a regular schedule.

# Timeline



Questions?