



University System of Georgia Enterprise Risk Management (ERM): Initial Results from the AASU Pilot

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Agenda

- What is ERM?
- How are we implementing ERM?
 - ERM Pilot Implementation – AASU
- The Way Ahead



What is ERM? (1/5)

ERM is a process-driven tool that enables senior management to **visualize, assess, and manage significant risks** that may adversely impact the attainment of **key organizational objectives**. – USG Definition



What is ERM? (2/5)

- ERM is:
 - A logical, disciplined approach to “seeing” and categorizing risk
 - Time intensive at launch
 - A tool to positively change culture
 - Focused on accountability



What is ERM? (3/5)

- ERM is not:
 - Solely a function of business affairs or traditional risk management functions
 - Bureaucratic
 - Independent from strategic planning; rather, it is core to achieving strategic objectives



What is ERM? (4/5)

- Risks are categorized as follows:
 - Strategic
 - Compliance
 - Reputational
 - Financial
 - Operational



What is ERM? (5/5)

Establish ERM Framework Step 1

- Identify Project Champion
- Identify Project Owner
- Establish Steering Committee

Identify Key Objectives Step 2

- List key objectives
- Prioritize objectives
- Select objectives for assessment

Identify Key Risks Step 3

- Brainstorm and assess risks
- Assign risks of 4 or higher to risk owner

Manage Risks Step 4

- Identify current controls and mitigation requirements
 - Develop mitigation plan for key risks
 - Conduct qtrly. mtgs. to review status
 - Initiate steps 2-4 for add. objectives

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ERM Pilot Implementation - AASU (1/6)

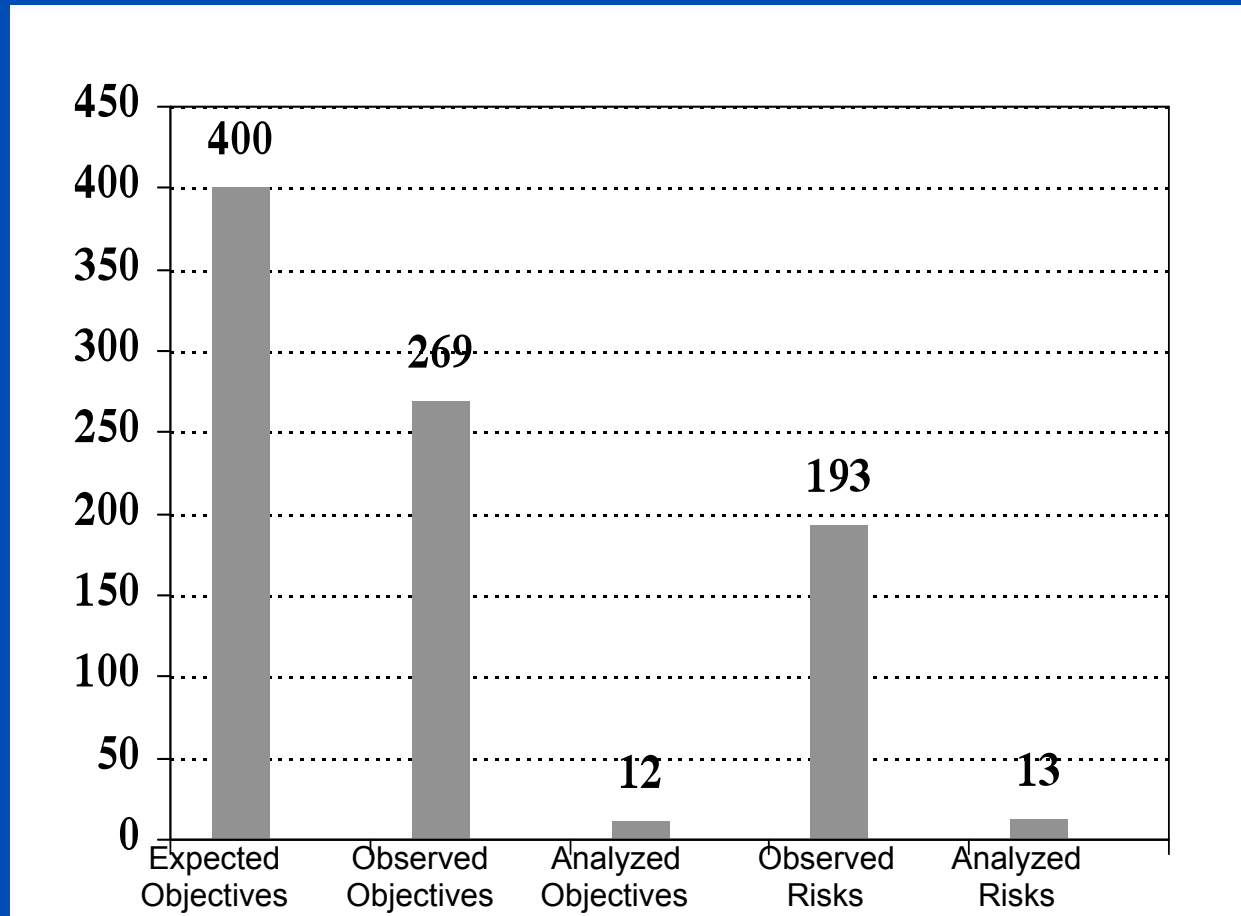
AASU's Key Implementation Steps:

- Reviewed USG and AASU Strategic Plans
- Selected Trial Departments
- Identified Key Objectives
- Ranked Departmental Objectives
- Identified Risks
- Ranked Risks
- Managed Risks

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ERM Pilot Implementation - AASU (2/6)



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ERM Pilot Implementation - AASU (3/6)

- Highlighted key objectives associated with “Academic Affairs” include:
 - Provide results oriented student advising
 - Develop enhanced learning communities
 - Increase student enrollment
 - Increase student retention
 - Faculty recruitment, retention, and tenure
 - Develop additional community partnerships

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ERM Pilot Implementation - AASU (4/6)

- Highlighted potential risk associated with the objective **“Increase Student Enrollment”** include:
 - Insufficient student advising
 - Loss of Accreditation (individual program & SACCS)
 - Enrollment services processes not efficient
 - Loss of data in information technology systems
 - **Loss of non-traditional students**
 - Student life activities inadequate



ERM Pilot Implementation - AASU (5/6)

- Selected mitigation strategies associated with the risk “**Loss of Non-Traditional Students**” to include:
 - Develop campus advocates
 - Alter faculty expectations
 - Develop student-focused services
 - Develop targeted advising services
 - Develop new technology services
 - Enhance “customer support” initiatives
 - Identify data collection and analysis

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ERM Pilot Implementation - AASU (6/6)

- ERM implementation is a process that involves changing the culture:
 - Increase emphasis on meeting objectives
 - Natural transition to managing risk
 - President's and Academic Council meetings
 - Better decisions on resource management
 - Identify non-strategic activities



The Way Ahead

USO will support ERM implementation by:

- Supporting additional pilots:
 - University System Office
 - Research institution
- Refining ERM model:
 - Collaborative effort
 - Scalable
 - Risk visibility
- Identifying solutions
 - Facilitate sharing of ERM risks and management solutions among institutions
 - Identify and manage “system” risks

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Questions?

