Implementing Enterprise Risk Management

Custom Research Brief – October 9, 2008

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I. Methodology & Research Parameters

**Project Challenge:**
The Finance and Administration leadership at a large public university in the South approached the Roundtable with the following challenge:

*We have reviewed the white papers that consulting firms and industry consortia have published on enterprise risk management (ERM), but are still left wondering “where to begin?” What are the first steps we should take? How do other institutions decide how to organize or staff ERM initiatives? How do others engage members of the university community when launching ERM initiatives?*

**Research Parameters:**
- The Roundtable focused its research on ERM initiatives at 12 universities. These universities represent the spectrum of practice, from institutions that are also in the early stages of ERM development to those that have been nominated as exemplars in enterprise risk management by peers and industry consortia. Many leaders have been recognized as experts in “traditional” risk management by the University Risk Management & Insurance Association.
- However, it is important to note that this report provides preliminary organizational guidance. Many leading practitioners have engaged consulting firms to conduct comprehensive risk-mapping initiatives as part of their ERM strategies. The Roundtable has provided names of peer-recommended consultants for interested institutions at the end of this report.

**The Roundtable Posed the Following Questions to the ERM Leaders:**
1. What were the catalysts or considerations that led to the launch of enterprise risk management at your institution?
2. Did you have the support of your Board of Trustees or President, and was this critical to the launch of the initiative?
3. Whom did you select to lead the ERM initiative, and how did you qualify or assess their skills and capabilities? Did you hire additional staff with specific skills, or did you redeploy internal staff/leaders?
4. Did you create an executive committee for ERM? If so, who sat on the committee, and why was their participation critical to the success of the initiative?
5. Did you hire an external consultant at any point in the process?
6. How did you organize initial ERM analyses and tasks?
7. How did you identify risks at the earliest stages?
8. How did you communicate the findings of these analyses to university partners and stakeholders?
9. How did you decide which risks to mitigate first?
10. In your new ERM model, who is ultimately accountable for monitoring and mitigating enterprise risks?
11. What will you do to ensure continued institutional focus on enterprise risk management?
II. Executive Summary

Enterprise risk management (ERM) has been part of the private sector lexicon for almost two decades, gaining momentum through the Sarbanes-Oxley Act and renewed emphasis on corporate governance practices. ERM has more recently become a rising concern for university presidents and administrators who are feeling increased pressure around transparency and accountability from state governments and regional accrediting bodies.

The most commonly cited reasons for launching ERM initiatives include:

- **Increasing Pressure from the Board of Trustees:** Board members are bringing experience from the corporate sector, demanding improved governance processes and an holistic approach to enterprise-wide risk, not just disaster preparedness.

- **Impact on Credit Ratings:** Standard & Poor’s has announced that ERM will be included in evaluations of non-financial institutions.

- **Potential for PR or Reputational Issues:** Distributed governance is incumbent in decentralized universities; however, well-intended professionals may lack the insight to make strategic or operational decisions, the results of which could very well make unintentional headlines.
II. Executive Summary

Key Conclusions and Recommendations

- **Broad operational management skills are more important than risk management certification when selecting an ERM leader.**
  - Universities commonly have selected (or asked) the Executive Vice President, university auditors, or university controllers to lead risk management initiatives; peer institutions caution, however, that enterprise risk management requires a different-in-kind set of skills in a leader.
  - Managing enterprise risk requires communication and consensus-building skills; process mapping capabilities; a keen awareness of interdependencies between university offices and activities; and an individual who already has gained the respect and trust of senior leadership to be able to effectively facilitate and negotiate interests across departments and divisions.
  - This is not intended to suggest that unit level risk managers or auditors should be disqualified from consideration – on the contrary, they have proven to be exceptional enterprise risk managers; however, select risk specialists from these pools with careful consideration for “softer” skills.

- **Cabinet-level recognition as well as direct “line management” are critical in the selection of an ERM leader.**
  - Peers caution that internal consultants or ERM leaders without direct management responsibility may lack the authority to effect change when change is needed.
  - To be effective, the ERM leader must have a seat at the table for cabinet-level conversations and a voice in university-wide strategic planning initiatives.

- **Prioritize enterprise risk areas from the top-down, not from the bottom-up.**
  - After the ERM leader is selected, the risk prioritization and identification process begins; while it is imperative that local units articulate their own unique risks, it is equally important that university administrators provide the initial assessment and prioritization.
  - Cabinet has the holistic perspective to assess impact and likelihood of risk as it relates to the entire university community; peers strongly recommend establishing a university risk management committee at this level.
II. Executive Summary

Key Conclusions and Recommendations

- **Engage traditional risk managers across the university early and often during the ERM launch.**
  
  To be effective, ERM depends on collaboration among colleagues in audit, risk management, environmental health and safety and the general counsel; successful peers recommend engaging those teams early in the enterprise risk identification process and leveraging their expertise in mapping local risks to enterprise risks.

- **Clearly define the role of university auditor versus the enterprise risk manager at launch versus steady-state ERM.**
  
  Peers confirmed that the conventional stereotype rampantly exists: audit is perceived as a punitive function; it is critical to define the role of ERM vis-à-vis the audit function in early interactions with unit administrators.

  Successful ERM leaders begin to identify enterprise risks by asking unit administrators and their staff members open-ended questions such as “what keeps you up at night?”; this “learning-centric” approach is often embraced by the units who may perceive risk management as another type of audit.

  These early interactions are much more productive when ERM is positioned as peer-consulting services as opposed to an audit, supporting unit administrators in the risk identification and the monitoring process.

  However, there is a very valuable role that the university auditor can play in ongoing and “steady-state” ERM processes, such as following up with units after ERM plans are in place to provide critical oversight and monitoring.

- **Once launched, ERM leaders should shift focus from risk assessment to risk awareness and training.**
  
  After the initial ERM phase, unit administrators need to shift their posture from risk reaction to risk prevention; to do so, the ERM leader should focus efforts on training unit administrators to push accountability for enterprise risk to the line.

  In the long-term, it is essential for ERM to be owned by every employee; the ERM leader should not become a de facto “Chief Risk Officer.” But again, at launch it is imperative to have single point accountability for driving ERM through the organization.
III. Selecting an Enterprise Risk Manager

Skills and Capabilities Trump Titles or Certification in Selecting an ERM Leader

- To manage enterprise risk, leaders must exhibit communication and consensus-building skills, process mapping capabilities, and a keen awareness of interdependencies between university offices and activities.

- Individuals must also command the respect and trust of senior leadership to be able to facilitate effectively and negotiate interests across departments and divisions.

- That said, successful enterprise risk management initiatives have been led by those with operational specialties (e.g., director of environmental health and safety or traditional risk managers) or those with compliance and finance specialties (e.g., auditors and controllers).

Side Note: There Can Be Success with External Hires

- While tapping internal talent to lead ERM initiatives is the conventional wisdom amongst leading practitioners, University H hired a new university auditor and risk manager prior to the launch of ERM; new leaders brought a fresh perspective and a collaborative relationship with senior-level officers and unit administrators.
III. Selecting an Enterprise Risk Manager

ERM Leader Must Have a Seat at the Table

- While the ERM leader’s focus should always be on building relationships around the university, they must also command respect at the cabinet-level and participate in university-wide strategic planning in order to maximize visibility and understanding of the university’s risks.

- At University I, the leader of ERM has an Associate Vice President title, sits on cabinet meetings and joins all major strategy discussions; at these meetings, he both gains and provides information and can offer insight during the strategic decision-making process.

Emphasize the Importance of the ERM Leader by Restructuring the Organizational Chart: Spotlight on University A

To provide a unified approach to operational risk at the top of the organizational chart and to increase opportunities for communication and cooperation among risk management leaders, University A housed these leaders together in one organizational unit.

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EVP for Finance & Administration

<table>
<thead>
<tr>
<th>VP, University Risk Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Risk Mgmt. Strategic Initiatives &amp; Information Services</td>
</tr>
<tr>
<td>• Chief of Police</td>
</tr>
<tr>
<td>• Emergency Planning &amp; Recovery</td>
</tr>
<tr>
<td>• Risk Management</td>
</tr>
<tr>
<td>• Environmental Compliance &amp; Sustainability</td>
</tr>
<tr>
<td>• Environmental Health &amp; Safety</td>
</tr>
</tbody>
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III. Selecting an Enterprise Risk Manager

External Consultants Can Assist the ERM Leader

- Even with the most effective ERM leader, the process is challenging; seven of the universities interviewed hired consultants to lead the launch or the risk assessment in partnership with an ERM leader.

<table>
<thead>
<tr>
<th>Consultants can be beneficial…</th>
<th>…but there are drawbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tried-and-true risk mapping processes</td>
<td>• Unfamiliarity with institutional norms and culture that lead to messy implementation</td>
</tr>
<tr>
<td>• Efficient methods to identify gaps in internal controls</td>
<td>• Engagements that end before implementation and leave the ERM leaders unprepared and untrained</td>
</tr>
<tr>
<td>• Unbiased, apolitical view when communicating with administrators and officers</td>
<td>• Emphasis on efficiency and length of contract as opposed to slow-and-steady uncovering of risks and training of leaders</td>
</tr>
<tr>
<td>• Industry-wide perspective that calibrates the extent or level of risk</td>
<td></td>
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</tbody>
</table>

University F Masters the Use of Consultants Through a Longer, Collaborative Engagement

- Consultants spent over a year with the ERM team of risk experts from University F (Risk Manager, Internal Auditor and Environmental Health & Safety Manager).
- This longer-term engagement offered three benefits:
  - **Expertise stayed in-house:** The consultants could have conducted the risk assessments, but the ERM team wanted the knowledge from that process to remain in the university instead of departing with the consultants. So, the consultants trained the ERM team to interview unit administrators and senior-level officers; the ERM team then conducted interviews on their own, without the consultants.
  - **A standard assessment process:** Armed with training and methodology from the consultants, the ERM team used the same language and standard data collection process during the risk assessment interviews. The consultants then reviewed that data to complete the assessment, teaching the ERM team that process as well.
  - **Continuity:** All three members of the ERM team can approach ERM independently yet consistently as they continue the risk assessment and prioritization process each year.

“Before choosing a consultant, you first must understand what flavor of ERM you want; each consulting firm comes with their own framework and you need them to adapt it to your needs. But most important, the consultants need to be willing to not only run the assessment, but also teach you how to do the assessment. The process takes a long time, but it lays the foundation.”

ERM Leader, University F

Side Note: Bring in Another FTE to Cover the ERM Leader’s “Day” Job

- **ERM leaders are often internal staff who may – or more often – may not be given “release” from their appointment to launch the initiative; it is imperative to have this singular point person and a centralizing champion at launch.**
- **However, each of the ERM leaders interviewed emphasized the enormous time commitment required during the launch and the importance of an additional full-time staff member to cover some of the day-to-day tasks from the leader’s regular job that may be neglected in these early stages.**
IV. Prioritizing Enterprise Risks

In Addition to Choosing a Leader, Establish a Cabinet-Level Risk Committee to Prioritize Risks

- All interviewees were adamant that without involvement from the highest level of the organization, ERM will not succeed; university risk committees formalize that involvement and ensure that senior-level officers participate in the process.

- While university leaders may not see every risk at the front line, they can prioritize the five to fifteen largest strategic risks that affect the entire university.

- Asking senior-level officers to pinpoint the most critical areas of risk is efficient; the ERM leader need only interview unit administrators in the prioritized areas, and new areas can be selected each year.

Who Sits on the University Risk Committee?

- Five to fifteen senior-level representatives from:
  - Office of the Provost
  - Office of the EVP for Business & Finance
  - General Counsel
  - Information Systems
  - Facilities
  - Public Relations
  - Assessment & Research
  - Athletics
  - Student Affairs
  - Environmental Health & Safety
  - Human Resources
  - Risk Management
  - Branch Campuses

- Depending on the university, the Auditor may or may not sit on the committee.

Spotlight on University H’s Initial Risk Prioritization Process

The university risk committee met to discuss the top two or three high-level risks that each senior-level officer manages.

Based on these prioritized risk areas, over fifty interviews were conducted with unit administrators to identify specific risks; 100 risks were identified.

The university risk committee reconvened, narrowing the list down to 30 risks targeted as “most likely” or “most severe.”

Ten risks were selected in the initial phase (these are “low-hanging fruit” and easily measurable).

University risk committee members paired together to meet with unit administrators in those areas and help them to devise mitigation strategies.
IV. Prioritizing Enterprise Risks

Leverage the University Risk Committee for Necessary ERM Funding and Resources

- At University G, unit administrators present their risk management plans to the university risk committee, which meets every six to eight weeks and can immediately discuss and approve necessary funding mechanisms to support the mitigation plans.
  - For example, if a unit wants to hire an external consultant or install new IT systems to monitor risks, the unit can make the request at the committee meeting and accelerate the funding approval process.

Use the Risk Committee for Cross-Functional Mitigation Strategies and Efficient Resource Allocation: Spotlight on University G

- Unit administrators present:
  - General operations of the division
  - Heat map of risks
  - Details about top two or three risks

- Units reviewed include:
  - Financial Reporting
  - Tax
  - Research (financial and non-financial)
  - Technology
  - Human Resources (faculty and staff)
  - Business Operations (risk management)
  - Student Affairs
  - Athletics

- This structure serves three purposes:
  - Cross-functional risks (e.g., international programs or business continuity) are easily recognized with all university leaders at the table; an ad hoc team is assembled to mitigate the risk and report back to the committee.
  - Unit administrators hear advice and suggestions from many senior-level officers who all have different areas of expertise; the resulting risk mitigation strategies are robust.
  - With all senior-level officers around the table, the university risk committee can approve funding or resource allocation soon after the presentation, speeding up the mitigation process and ensuring that no information is lost in translation.

“People look at these meetings as a way to address those ‘up at night issues’ systematically and formally. It’s a forum for them to say ‘This is a big deal and I need to tell everyone about it.’ And we address the issues on the spot – immediately after a presentation, we can direct the administrator to the VPs who can help him and say ‘here is your support – go for it.’”

ERM Leader, University G
No Expensive Equipment Required: Low-Tech Tools Help to Prioritize Risks

- Best-in-class ERM frameworks relied on basic, readily available tools to help prioritize risks.

- At University H, the ERM leader covered a wall with butcher paper, marked with axes of impact and probability.
- He then wrote 100 previously identified risks on post-it notes.
- The university risk committee members placed the post-it notes on the huge risk map, thereby prioritizing 30 risks that were counted as “high impact” or “high probability.”

- At University I, ERM leaders use anonymous voting software during risk identification conversations with units; equipment costs a few thousand dollars.
- The unit assembles and each front-line employee votes on the impact and probability of each risk.
- The anonymous process encourages honest participation from every employee in the room and uncovers risks that may not have been recognized by unit administrators.
- Additionally, downloadable Excel templates are available for unit administrators and provide prompts and coding for risk mapping at the unit level.

“The conversations that result are invaluable for front-line staff. First, there is a better understanding of the operations of their organization. Second, they change their views of the biggest risks after listening to the group. Third, they say, ‘let’s do it again!’ These conversations prove the benefits of ERM to them.”

ERM Leader, University I

Side Note: Vertical or Horizontal Approach to Risk?

- ERM leaders have launched ERM with a “vertical” division approach (e.g., School of Engineering) or with a “horizontal” process approach (e.g., Information Technology or Human Resources).
- University A switched from division to a matrix approach, realizing that some processes are managed university-wide, while others have unit-specific procedures and oversight. The university-wide process approach provides a “panoramic view” for those areas where interconnectivity of the divisions is important.
- Other risk managers believe that starting ERM in one division and mastering it will build a useful pilot or blueprint before moving on to university-wide systems.
V. Building Support for ERM

Of Utmost Importance: Manage Across Risk Management Silos

- Regardless of who leads ERM or how the university risk committee is structured, successful ERM depends on collaboration among the departments of Audit, Risk Management, Legal and Environmental Health and Safety and Finance for risk identification, mitigation and monitoring.

- ERM leaders can galvanize support by sharing information with these colleagues when it surfaces and including those colleagues in the risk identification process (e.g., interviews and risk prioritization).

- University F considers all of its risk experts “ERM shepherds;” each of them received the same training from consultants and bring their own areas of expertise to the conversation.

“People say to me, ‘I always call Risk Management, because you know the answer.’ We aren’t subject matter experts, but we know who the subject matter experts are. The other risk leaders trust us and understand that we will notify them if there is an issue that comes across our desk that affects them.”

ERM Leader, University A
V. Building Support for ERM

Use the ERM Framework to Dissolve Silos: Spotlight on University C

- University C’s ERM framework covers four areas: Campus Safety; Business Continuity; Business Performance; and Financing Risks. Each senior leader is responsible for at least one area and each area is managed by at least one senior leader.

- This framework requires that leaders collaborate to create a comprehensive mitigation plan.
  
  - Campus safety might involve a partnership among Facilities, Human Resources, Student Affairs, Environmental Health & Safety, Public Affairs.
  
  - Business continuity demands an evaluation of the revenue lines to ensure their sustainability; leaders from Admissions, Development, Enrollment, Athletics, Funded Research, Endowment Management and others would need to partner with colleagues in Risk Management & Insurance, Finance and Student Affairs, for example.
  
  - Business performance relies on establishing frameworks for making sound decisions and shoring up resources to ensure that there is not significant reduction in product/service quality; for example, administrators may partner with Information Technology, Procurement, and Facilities to ensure proper functioning of data systems and physical assets and best-in-class technology and purchased goods.
  
  - Financing risk management depends on treasury managing its exposure to assure liquidity and each unit prioritizing or rank-ordering their investments to make decisions in the event of budget cuts; units may decide to partner on some purchases for overlapping projects (e.g., Information Technology joins with Research for data center investment since both groups will benefit).

- Silos dissolve when leaders reach across them to plan their own mitigation strategies.
V. Building Support for ERM

Role Clarification: Audit Versus Enterprise Risk

- While collaboration is necessary, it is imperative to clearly define the different roles of audit versus the enterprise risk manager in early conversations with unit administrators.

- There is a valuable role that university audit can play in ongoing and “steady-state” ERM processes, such as following up with units after ERM plans are in place to provide critical oversight and monitoring.

- Opinions on how the Auditor should be involved vary widely and are dependent on the mission and standards that govern that particular Audit office, but there are successes on both ends of the spectrum.

- All ERM leaders note that open communication lines are critical, no matter what the level of involvement.

### Auditor Participation in ERM

<table>
<thead>
<tr>
<th>Limited Involvement</th>
<th>Full Partnership</th>
</tr>
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<tbody>
<tr>
<td>At University A, the Auditor adopted the COSO ERM model several years ago and has been moving the university towards a risk-based management process; he leads Risk Workshops to raise awareness of the risk management process, rank risks and document internal controls specific to each unit.</td>
<td>At University H, the Auditor and the Risk Manager partnered, conducting interviews together.</td>
</tr>
<tr>
<td>However, the Auditor believes in the separation between ERM operational procedures and the audit function; while the ERM operational launch is led by another risk expert, the Auditor has shared his efforts with the ERM team and will advise and collaborate where appropriate.</td>
<td>Today, the Auditor is the Co-Chair of the University Risk Committee.</td>
</tr>
<tr>
<td>ERM at University H focuses on providing tools for others to use to manage risks, so the Auditor’s participation does not violate his responsibilities but rather points him to areas of future concern or reassurance.</td>
<td></td>
</tr>
</tbody>
</table>

“Of all of the presentations I’ve heard about ERM, particularly in higher education, those who are managing it successfully point to a good partnership between internal audit and risk management. Otherwise, they described the sufferings because they did not have a good relationship with audit.”

ERM Leader, University H
V. Building Support for ERM

Act as Advisor, Not Auditor
- Unit administrators may clam up if they sense that the risk identification process is an “audit” that will create negative feedback or more work for them.

- Instead, ERM leaders should offer guidance and assist unit administrators in finding the necessary resources to mitigate risks.

- ERM leaders note that, after these conversations, unit administrators voiced relief that the university shared their concerns and helped them to devise solutions.

Success in the Advisory Role: Spotlight on University Risk Office

University Risk Office
- Provides centralized, comprehensive risk management services, including (but not limited to):
  - Risk Assessment
  - Compliance
  - Audit Liaison Services
  - Consulting
  - Management Advisory Services

All services are free to the university community.
- Head of University Risk Office also oversees Safety and Security, EH&S, and Police.
- Note that senior-level officers are ultimate owners of risks and mitigation strategies, although all employees are accountable for effective risk management.

For large projects – MAS assists departments with internal control assessments, organizational structure reviews, business process improvement, compliance evaluations, and effectiveness of procedures.
- For smaller requests – Answers questions related to policy and rules, compliance issues, and potential risks via email or phone calls.

“Push Services”
- Provides a specialized consulting function (Audit Liaison) to ensure a smooth evaluation process before and during an audit.
- Assists administrators in effective implementation of audit recommendations.

“Pull Services”
V. Building Support for ERM

Engage Unit Administrators in Conversations Rather than Interviews

- Once relationships among risk experts are clarified and the university risk committee is established, successful ERM leaders begin to identify enterprise risks by asking unit administrators and their staff members open-ended questions such as “what keeps you up at night?”; this “learning-centric” approach is often embraced by the units who may perceive risk management as another type of audit.

Key to Successful Conversations

Open-Ended Questions at First…
- Questions such as “What keeps you up at night?” are more conducive to the broad, wide-ranging answers that should start the conversation; sometimes they will uncover risks that differ from those identified by the university risk committee.

…Specific Follow-Up Questions Later
- Later in the conversation, specific follow-up questions can pinpoint who might take ownership for which risks and how to address root causes of the potential danger.

Supportive Conversational Tone…
- To encourage honest and forthright answers, the ERM leader adopts a tone of empathy, guidance and partnership, rather than evaluation or assessment.

… but Armed with Information
- Some unit administrators will be preoccupied or contentious; the ERM leader must consider the risks inherent in this unit prior to the conversation, to build credibility, show understanding and prompt discussion.

Lead Meetings with Entire Division, Not Only the Unit Administrator

- Given the emphasis on pushing risk management to the front lines and engaging all employees, some universities include the entire division or unit in the risk identification process.

- All staff members participate and develop the mitigation strategies that they will be employing at the front lines.
VI. Post-Launch Considerations

After ERM-Launch, Shift Posture from Risk Assessment to Risk Awareness
- After the initial phase, unit administrators will call on the risk management experts regularly for guidance on plans and decisions, thereby shifting the focus from reaction to prevention.
- Great customer service will keep unit leaders engaged and encouraged about the ERM process.

Train the Trainer
- ERM leaders develop and facilitate two-hour or half-day training sessions for unit administrators.
- Unit administrators can then facilitate their own staff meetings on a regular basis and evolve the risk identification and mitigation process over the years.

Continue Holding University Risk Committee Meetings
- Most universities formalized their ERM initiative by writing a charter or setting a new course for the university risk committee, emphasizing risk prioritization (as opposed to identification) or focusing on approving the mitigation plans.
- Regardless of the format, the meetings should continue every six to twelve weeks to keep ERM as a top of mind consideration.

Transition the ERM Leader into an ERM “Cheerleader”
- After the initial phase, the ERM leader should shift his role to an ERM champion, trainer and “air traffic controller” and reduce time spent conducting interviews and identifying risks.
- As the “resident expert” and champion, the ERM leader should continue to attend all cabinet-level meetings to offer advice and connect resources to risk activities.

“You need someone who can continue to meet regularly at the highest level in the organization to keep the program visible. You have to keep talking to the champions.”

ERM Leader, University I
<table>
<thead>
<tr>
<th>University</th>
<th>Location</th>
<th>Public/Private</th>
<th>2007 Estimated Total Student Enrollment</th>
<th>Status of ERM Initiative</th>
<th>ERM Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Small City</td>
<td>Private</td>
<td>20,000</td>
<td>Conversations began in 2001; formal ERM launch in 2007</td>
<td>VP for Risk Management and Director of Risk Management, under the Executive VP for Finance &amp; Administration, with support from Auditor</td>
</tr>
<tr>
<td>B</td>
<td>Large City</td>
<td>Private</td>
<td>20,000</td>
<td>Under consideration</td>
<td>Director of Risk Management</td>
</tr>
<tr>
<td>C</td>
<td>Large City</td>
<td>Private</td>
<td>15,000</td>
<td>Launched in 2001</td>
<td>Senior Vice President and Chief Administrative Officer</td>
</tr>
<tr>
<td>D</td>
<td>Small City</td>
<td>Public</td>
<td>39,000</td>
<td>Under consideration</td>
<td>Director of Risk Management</td>
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<tr>
<td>E</td>
<td>Small City</td>
<td>Public</td>
<td>26,000</td>
<td>Under consideration</td>
<td>Director of Risk Management</td>
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<td>F</td>
<td>Small City</td>
<td>Private</td>
<td>7,000</td>
<td>Launched in 1999</td>
<td>Executive Vice President is chair of ERM Committee</td>
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<tr>
<td>G</td>
<td>Large Suburb</td>
<td>Private</td>
<td>12,000</td>
<td>Formal ERM launch in 2006</td>
<td>University Risk Officer and University Auditor co-chair the ERM Committee</td>
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<tr>
<td>H</td>
<td>Small City</td>
<td>Public</td>
<td>43,000</td>
<td>Formal ERM launch in 2004</td>
<td>University Risk Office is led by an Associate VP; large centralized team of risk management experts</td>
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<tr>
<td>I</td>
<td>Rural</td>
<td>Public</td>
<td>46,000</td>
<td>Conversations began in late 1990s; formal ERM launch in 2004</td>
<td>University Risk Office is led by an Associate VP; large centralized team of risk management experts</td>
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<td>J</td>
<td>Suburb</td>
<td>Public</td>
<td>10,000</td>
<td>Conversations began in 2005</td>
<td>Risk Manager and Vice Chancellor for Administrative Services</td>
</tr>
<tr>
<td>K</td>
<td>Large City</td>
<td>Private</td>
<td>15,000</td>
<td>External auditor conducts regular risk assessments</td>
<td>Assistant VP for Audit and Risk Management</td>
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<tr>
<td>L</td>
<td>Large City</td>
<td>Private</td>
<td>11,000</td>
<td>Formal ERM launch in 2007</td>
<td>Director of Risk Management, under the Treasurer and VP for Business and Financial Affairs</td>
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</tbody>
</table>
Sources Used


- Multiple websites, including the following:
  - National Association of College and University Business Officers – www.nacubo.org
  - University Risk Management & Insurance Association – www.urmia.org
  - University websites
VII. Appendix

Additional Information

Information on Standard & Poor’s Consideration of ERM for Credit Ratings


Consultants
Dr. Robert Emery (EH&S specialty), University of Texas. Recommended by University J.
PricewaterhouseCoopers. Recommended by University G and University K.
Harvey B. Lermack, Philadelphia University (facilitation techniques). Recommended by University H.
Marsh. Recommended by University F.
Protiviti. Recommended by University L.

White Papers and Reports – Private Sector


White Papers and Reports – Higher Education


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