Enterprise Risk Management for NMSU System

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BE BOLD. Shape the Future.
What we will cover today

• Recent changes in risk management
• Enterprise Risk Management Implementation
• ERM Phase I and II objectives
EHS & Risk moved to Chancellor office – July 2019

• July 2019 EHS&RM reorganized to Chancellor Office
• Reporting to Vice Chancellor and Strategic Chief Financial Officer Ruth Johnston
• Increased visibility and reporting of wider risk areas
• Chancellor appointed Katrina Doolittle to champion Enterprise Risk Management
Strategic System Services reports to Vice Chancellor

- Audit Services
- Data Privacy / Cyber security
- Environmental Health Safety & Risk - ERM
- Human Resource Services
- Real Estate and Water Development

Working closely with
- University General Counsel
What is Enterprise Risk Management?

- Enterprise Risk Management (ERM) is a process applied strategically across the University system to identify potential events that may adversely affect the entity.
- Uses a methodical approach to identifying, assessing and managing those risks.
- ERM integrates risk discussions into strategic deliberations, identifying the interrelations of risk factors across an organization’s activities.
- ERM is intended to identify opportunities to strengthen the existing NMSU efforts, using a common language and standard framework.

Goal is to identify and prioritize current risks facing the University, and consider options to manage those risks that could adversely affect the University's ability to achieve its goals, or otherwise cause significant harm.
University-wide risk management ongoing identification, assessment and mitigation of risks is managed across the areas of finance, facilities, human resources, healthcare, information, student affairs, academic affairs, research, and governance. Significant risks that are too broad or pervasive for an individual area to adequately address are identified, reviewed, and elevated to executive leadership and, as appropriate, the Board of Regents.

Source: Washington.edu/crs
Significant Risks Facing Higher Education

1) Financial Solvency
2) Athletic Concussion Injury
3) Sexual Assault
4) Gender Equality Issues
5) Gradual but Dangerous Erosion of the Belief in Higher Education's Value
6) Campus Crisis Readiness
7) Cyber & Privacy Liability
8) Minors on Campus
9) Special Events & Conference Management
10) Enrollment/Changing Demographics

Sources include the University Risk Management and Insurance Association; Cornell University; Gallagher; Zachary Gifford, Director, System-wide Risk Management, the California State Universities; Jack Hampton, a Professor of Business at Saint Peter’s University, and Paula Vene Smith, director of the Purposeful Risk Management Project and a professor at Grinnell College.
**Process for ERM implementation - Higher Ed.**

- **Selected Consultant for ERM Launch**

  Dr. Steve Deck, Univ of Maryland at Baltimore

| Stage 1: Adoption decision | • Clarify the logic for adopting ERM  
• Translate the adoption logic into compliance and performance goals for the ERM program |
|---------------------------|------------------------------------------------------------------------------------------------------------------|
| Stage 2: Setup            | • Select an ERM program champion and cross-functional implementation team  
• Design the ERM program  
• Clarify ERM roles and responsibilities |
| Stage 3: Implementation   | • Educate the institution on the purpose of the ERM program  
• Educate the institution on the methods for assessing risks |
| Stage 4: Ramp up          | • Utilize risk assessment tools  
• Identify risk management capabilities and capability gaps  
• Assign accountability for risks |
| Stage 5: Integration      | • Integrate risk assessment into decision making processes  
• Foster ongoing organizational learning on risks  
• Build the risk management culture |

*This figure uses the Leseure et al. (2004) five stages for adopting and implementing a new business practices*
ERM Phase I

Interviews with key leadership
- How can ERM improve NMSU
- Value of ERM to you – what are you looking for in an ERM program
- Discuss risk tolerances
- How best to implement ERM at NMSU

Workshops with LEADS Goal Teams
- Education about ERM
- LEADS Goal Teams strategic risk identification
- Survey for ranking risks
- Report of top risks

Mitigation Plan Development
- Identify top risks that threaten implementation of strategic plan
- Identify risks and risk owners for initial action
- Work with risk owner to develop enterprise risk mitigation plans for risks assigned
ERM Phase II – Objectives

• Comprehensive review of tactical risks applicable to NMSU
  • Tactical risks are predominately internal to the organization, preventable, and often are currently being managed to some degree at the institution
  • to assess whether these risks are being managed within tolerance levels determined by NMSU

• Identify risk owners and mitigation

• Identify risk metrics to monitor
Questions?

Environmental Health Safety & Risk Management

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