A Collaborative Approach to Managing Enterprise-wide Risks
If you don't invest in risk management, it doesn't matter what business you're in, it's a risky business.

- Gary Cohn

Agenda

02. Roadblocks to Collaboration
03. Collaboration Opportunities for Audit, Risk Management, Compliance, and Cybersecurity
04. Latest Trends in Risk and Compliance: 2022 PWC Global Risk Study
05. FAMU’s ERM Highlights
Collaboration Benefits
8 Benefits of Collaboration: Internal Audit, Risk Management, and Compliance

1. Optimize Risk Reporting
2. Allocate Resources Efficiently
3. Effectively Prioritize Risk Mitigation Actions
4. Enhance Oversight of Risk Programs and Potential Threats
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<td><strong>Improve Decision Making</strong></td>
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<td><strong>Ensure Transparency Across and Organization’s Risk Landscape</strong></td>
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<td><strong>Holistic Overview of an Organization’s Risks and Controls</strong></td>
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Collaboration
Roadblocks
Roadblocks to Collaboration

- Lack of Maturity of 1st and 2nd Lines of Defense
- Impairment of Independence and Objectivity
- Lack of Defined Accountability
- Lack of a Common Lexicon of Risk
- Lack of Resources
Collaboration Opportunities
Collaborative Dynamic Risk Assessment

Coordinate Risk Management Annual Plans

Risk Reporting to Management and the Board

Risk Monitoring

Collaboration Opportunities for Audit, Risk Management, Compliance, and Cybersecurity
05 Share Data, Analytics, and Technologies
06 Coordinate Risk Management Annual Plans
07 Risk Prioritization
08 Training and Awareness Activities

Collaboration Opportunities for Audit, Risk Management, Compliance, and Cybersecurity
Collaboration Opportunities for Audit, Risk Management, Compliance, and Cybersecurity

09 Common Risk Language
10 Policy and Procedure Reviews
11 Investigations
12 Compliance Governance Assessments
2022 Trends
Risk and Compliance
Engage Early and Get Risk Insights at the Point of Decision

- 79% report that keeping up with the speed of digital and other transformations is a significant risk management challenge.
- 39% of business executive respondents say that they are making better decisions and achieving sustained outcomes by consulting with risk professionals early.
- 70% are prioritising diversity in risk teams.

Source: PWC 2022 Global Risk Survey
Take a Panoramic View of Risk

65% are increasing overall spending on risk management technology

3/4 are planning on increasing spend across data analytics (75%), process automation (74%) and technology to support the detection and monitoring of risks (72%)

38% report that their risk function is not actively seeking external insights to assess and monitor risks

Source: PWC 2022 Global Risk Survey
Set and Employ Risk Appetite to Take Advantage of the Upside of Risk

- 22% are realising benefits from defining or resetting risk appetite and risk thresholds
- 56% are investing in risk culture and considering behavioural risk in 2022
- 47% are very confident in their risk function’s ability to build a more risk-aware culture

Source: PWC 2022 Global Risk Survey
Enable Risk-Based Decision Making Through Systems and Processes

- **74%** are increasing their spending toward adding technology and digital capabilities to the risk function workforce.
- **54%** complement risk technology investments with people and process changes.
- **75%** say that having technology systems that don’t work together is a significant risk management challenge.

Source: PWC 2022 Global Risk Survey
Double Down Efforts on Top Risks

Talent Management
Supply Chain
Regulatory Compliance
Cyber Threats
ESG: Environmental, Social, and Governance

Source: PWC 2022 Global Risk Survey
FAMU
ERM Highlights
Vision Statement
The FAMU ERM program strives to become a thought leader in enterprise risk management practices through development of innovative and cost-effective methodologies that integrates enterprise risk management practices into the culture and strategic decision-making processes of academic, student, and administrative functions within educational institutions.

Mission Statement
To provide meaningful, actionable, and timely strategic and performance risk intelligence to our stakeholders to enhance decision making and resource alignment while appropriately balancing risk and opportunity.
FAMU ERM Policy

- Requires FAMU to Implement COSO ERM
- Annual Risk Profile – Aligned with Strategy and Performance
- Risk Identification – New and Emerging or Changing Risks
- Establish an ERM Advisory Committee
- Risk Response Plans
- Progress Reports to BOT AACC
- Establish Chief Risk Officer Position
- Risk-aware Culture

III. Roles and Responsibilities
- Legal
- Compliance & Ethics
- Division of Audit
- Senior Management
- Employees
ERM Advisory Committee Charter Highlights

Purpose
• Provide oversight, guidance, and coordination of risk management practices
• Assist management with establishing and monitoring risk mitigation strategies

Authority
• Committee has no executive powers
• Solicit advice and assistance from others, when necessary

Meetings
• Meet at least once per quarter
• May conduct votes via email communication between meetings

Composition
• Voting and Non-Voting Members
• Voting Members: Expertise in University strategic and performance initiatives
• Non-Voting Members: Select SLT Members
ERM Risk Reporting Structure

Board of Trustees

Audit and Compliance Committee

Division of Audit
Joe Maleszewski, VP for Audit
Advisor to CRO

ERM Staff
• Associate VP for Audit and Chief Risk Officer
  Deidre Melton
• ERM Coordinator
  Bill Knight
Provides resources, communication, and coordination of ERM activities

University President
Larry Robinson, Ph.D

Enterprise Risk Management Advisory Committee

Reports on Risks; supports Risk Owner proposals for Risk mitigation actions

Risk Owners meet with the ERMAC to discuss risks, evaluate their impact and preparedness, and receive recommendations for responses to identified risks

Faculty and Staff
Identify and manage the risks related to their roles and activities and report to Risk Owners

Risk Owners
Identify, assess, manage and monitor risks

Reports on Risks; proposes Risk mitigation actions
Risk Appetite Statement

June 3, 2022

Defined Risk Levels

Core Position

Strategic Themes & Enablers
Risk Levels

Risk Averse
Accepts as little risk as possible. Not willing to accept any negative impact beyond core position.

Risk Concerned
Cautious approach to risk taking. Willing to accept small negative impact to pursue objectives.

Risk Neutral
Potential negative impacts and accomplishments of objectives given equal consideration.

Risk Tolerant
Greater than normal risks are tolerated. Willing to accept some negative impact to pursue objectives.

Opportunity Seeking
Willing for risks to be taken to gain highly valued reward.
“At FAMU, Great Things Are Happening Every Day.”

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