

“Creating a Proactive Risk Management Culture at Your Institution”

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COSO Model



Just like Risk Managers.....
Internal Auditors are also
sometimes put “in the box”



...and yet BOTH professions
have changed and collaboration
can yield great benefits to both.

Natural Partners



Benefits of Collaboration

- **Skills** -Both bring unique yet needed skill sets to the ERM process.
- **Culture** – it matters and working together can enhance your understanding through multiple perspectives.
- **Institutional History** – adds a richness to the process and both offices' experiences are helpful here.
- **Work Load** – this is a lot of work.

Benefits of Collaboration

- **Opportunities** – both offices have relationships with various units that can open doors that alone wouldn't happen.
- **Reporting Relationships** – majority of auditors now report to the board level, this can bring needed high level support. Most risk managers report to finance and have support from that area.
- **ERM Sales** – frequently you have to sell the benefit of ERM, this gives you more people selling the process.

"It is amazing what you can accomplish if you do not care who gets the credit."

Harry S. Truman



The Auburn Story

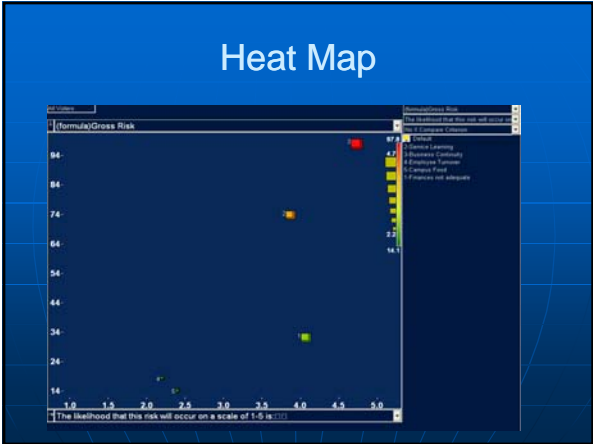
The Crawford Model

Human Resources (1, 2, 3, 4, 6, 40)	IMPACT	PROB		MITIGATION
			RANKING	
Discrimination when hiring	H	L	HL	
Failure to follow EEO/AAEO Guidelines	H	L	HL	
Harassment - Employee/Student	H	L	HL	
Employee turnover higher than standard	M	H	MH	
Inadequate staff development	M	M	MM	
Employee not as qualified as what you need	M	L	ML	
Failure to document employee performance	M	L	ML	

Anonymous Voting Software

AU uses Resolver Ballot





Some Workshop Basics we used with Both Systems

- Preparation
 - Research the area thoroughly
 - Facilitators share information about the risks, the group, what we expect, and any political or external influences
 - Prepare the group we are working with
 - Risk awareness
 - Common language
- Use Excel for Brainstorming

Benefits of Anonymous Voting

- Quicker
- Eliminates 'Group Think'
- Immediate Feedback
- Able to address unusual voting efficiently
- Easy to use

Risk Assessment Time Line

- Meet with Division Head to sell ERM
- Research and Preparation
- Pre-workshop training and deliver white paper.
- Phase 1 Workshop – Brainstorming activities and risks

Risk Assessment Time Line

- Internal Audit and RMS clean up the data and enter it into anonymous voting software
- Phase 2 of Workshop – Brief recap of terminology and vote on the impact, the likelihood, and the degree of influence for each risk

Risk Assessment Time Line

- Analyze data and meet with risk owners to true risks
- Analyze data and write report
- Present findings to division/dept. leader
- Assist group with developing risk mitigation strategy

Risk Assessment and Management Action Plan : Athletics Department

*A joint project with the offices
of Risk Management & Safety
and Internal Auditing*

Reminder: Why are we doing this project?

- Because all managers are risk managers. You are already making risk management decisions and this process can help you improve your skills in this area.
- This process provides a systematic way to think about risk before something negative occurs, hopefully allowing you to manage for risks rather than react to crisis. (Avoid the Higher Ed Risk Mgt Syndrome)
- Joint missions of IA and RMS
- Reevaluate our results from last time using anonymous voting software, then update your plan.



What Will Success Look Like With This Project? “Clarifying the Win”

1. New risk inventory with risk rated by impact, probability and influence to use in developing an updated plan.
2. To again have athletics management spend time together thinking about & discussing risks.
3. To continue making future decisions with risk consideration and consequently fewer unexpected crises.

Starting Point: Mission Statement

The Department of Athletics, in keeping with the mission of the University, and in a spirit of inclusion, encouraging diversity and equitable treatment for all, will seek to abide by the rules, to manage its fiscal affairs in a responsible manner, to educate its student-athletes, and to win championships, thereby bringing credit to Auburn and its people.

.....and Vision

The Auburn Athletics Department will be the nation 's preeminent Athletics Department. We have a two-fold purpose: To enable our student-athletes to be successful in all areas of their lives, athletics, academics and personal endeavors, both now and in their future careers, by providing them with the best resources available in academics, facilities and coaching; and while meeting the needs of our student-athletes, to represent and promote Auburn University in a positive manner in all that we do.

The Auburn Athletics Department's absolute values are to always tell the truth and to treat others as we would like to be treated. We will also adhere to the timeless values of the *Auburn Creed*. We will lead the way in integrity, diversity, communications, both internally and externally, compliance, and customer service.

We will function as a team, helping each other to be successful, rather than focusing on personal success. We will work for the benefit of others and for Auburn, not for personal gain. We will have an attitude of constructive discontent; always striving to be better.

Last Time

- Took mission then brainstormed activities
- Activities were then put into 8 categories:
 1. Human Resources (HR)
 2. General Business (GB)
 3. Event Management (EM)
 4. Education (ED)
 5. Compliance (C)
 6. Team/Staff Support (TSA)
 7. Facilities Operations (FO)
 8. Medical (M)
- Brainstormed risks associated with each category
- Rated our risks according to probability and impact – risk footprint
- Later you developed a plan to manage your “reds”

Today

- We will evaluate those same risks....but use a different method and add one new factor for evaluation.
- Anonymous voting to rate risks according: Impact, Probability, and Influence.
- From this rating we can generate various reports.

Impact

If this event/risk occurs, how bad will it be? What impact will it have on us fulfilling our mission?

5 - High impact. Requires major resources to get through this issue.

4

3

2

1 - Low impact. Requires little additional work or resources. Minor bump in the road.

Likelihood

What are the odds? What are the chances we will have a problem in this area of risk given our environment?

5 - Highly Likely . This will probably happen (almost certainly) in the relatively near term.

4

3

2

1 - Not Likely. This most likely won't happen at all.

Influence

How much can we affect this issue?

5 - High influence. We can almost guarantee we can prevent this problem.

4

3

2

1 - Low influence. We can't do anything to stop this from occurring. (think meteor hitting) ☺

What if I have no idea?

.....then click the 10 key. But don't be afraid to vote so this should be rare.



A few final points.....

- When we rate the risks – remember our focus on impact, probability, and influence is how it affects athletics in achieving your mission and goals (not the overall university)
- Remember too – this process is subjective, the main goal is to identify risks and develop a plan to manage high risks.

Post Session Follow-up

- We will analyze the results using the Resolver software, provide you with reports, and evaluate your plan for dealing with critical risks.

Lessons Learned

- Borrow what you can from others
- Plan, plan, plan before implementing
- Practice on your own dept. first
- Start with a pilot group
- Research and know the area well prior to workshop
- Facilitator skills are very important for success

Lessons Learned

- It's OK to not be perfect
- People are fresher in the morning
- This is a draining process
- This is a time consuming process – work up a schedule that accounts for the time
- Do not overbook

Lessons Learned

- Invite Feedback
- Develop a trusting environment
- Recognize and require the commitment from both ends

Questions?