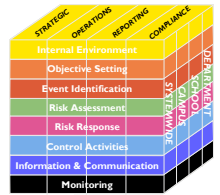




Sample Enterprise Risk Management Work Plan Fiscal Years 20XX and 20YY

Revised June 2009



COSO Element	Internal Environment / Objectives Setting
ERM Element Purpose	<p>The internal environment encompasses the management tone of the campus/medical center, and sets the basis for how risk is viewed and addressed by all employees. It includes the campus/medical center’s risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate. Within the context of the campus/medical center’s mission, management establishes strategic objectives, selects strategy, and sets aligned objectives cascading through the enterprise. The enterprise risk management framework is geared to achieving objectives, in four categories:</p> <ul style="list-style-type: none"> • <i>Strategic</i> – high-level goals, aligned with and supporting our mission • <i>Operations</i> – effective and efficient use of our resources • <i>Reporting</i> – reliability of reporting • <i>Compliance</i> – compliance with applicable laws and regulations.
ERM Initiative Goals	<ul style="list-style-type: none"> • Develop a campus/medical center risk management philosophy, and a culture that promotes compliance with top management’s risk appetite, allowing managers to manage risks within their spheres of responsibility consistent with established risk tolerances. • Develop a campus/medical center environment in which risk assessment and risk management (mitigation) is integrated into all business practices and decision-making activities.

Internal Environment / Objectives Setting						
Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Articulate philosophy regarding risk management, risk appetite, and risk tolerances	ERM Steering Committee or work group	Steering Committee will oversee efforts to identify, assess, measure, respond, monitor, and report risks.	Formalization of ERM Steering Committee and Charter			
	Policy	Develop a comprehensive risk management policy, governance structure and procedures to assess campuswide risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis.	Policy on Managing Risks			

* Many referenced documents are available in the ERM toolkit: <http://www.ucop.edu/riskmgt/erm/toolkit.html>

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COSO Element	Event Identification / Risk Assessment
Element Purpose	Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and a residual basis.
ERM Initiative Goals	<ul style="list-style-type: none"> • Provide a portfolio view of risks (financial, environmental, research non-compliance, workplace disagreements and injuries, claims and lawsuits, and new and emerging risks) across the entire campus. • Assist the campus/medical center and individual units identify and assess risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis to ensure management's risk responses are carried out effectively.

Event Identification / Risk Assessment						
Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Identify risks across campus	Risk Survey	Survey leaders to identify risks across campus – financial, environmental, research, workplace, claims and lawsuits, and new and emerging risks	<ul style="list-style-type: none"> • Meeting with key stakeholders • Listing of campuswide risks, prioritized based on likelihood of occurrence and impact to campus 			
Enable the various units on campus/medical center perform their own risk and control assessments	On-line Risk and Controls Self-Assessment Tools	Questions and check lists for departments to examine processes and procedures for efficiency and effectiveness. These tools can be used to monitor selected risks controls across campus/medical center.	Online checklists <ul style="list-style-type: none"> • Separation of duties • Cash handling • Others as identified 			
		Develop an analysis tool assisting departments in assessing risk for an event or activity at the start of the contracting process.	Analysis tool identifying strategic, operating, reporting, and compliance risks			
ERM Assessments completed prior to approval of new ventures	Tool – ERM Assessment	Multidisciplinary group and owners complete ERM Assessment exercise.	Report is completed and strategy developed.			
ERM Goals and Objectives aligned with Strategic Plan	ERM Strategic Goal Programs	Survey completed based on Goals and Objectives/key departments.	Report to Chancellor on risk that could impact strategic plan.			
Risks are analyzed	Risk Mapping	Risk Map completed at department or campus level.	Report completed on Risk Mapping evaluation.			

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COSO Element	Risk Response/Control Activities
Element Purpose	Policies and procedures are established and implemented to help ensure the risk responses (avoiding, accepting, reducing, or sharing risk) align with management's risk tolerances and risk appetite, and are effectively carried out.
ERM Initiative Goals	Assist the campus/medical center and individual units in identifying and assessing risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis to ensure management's risk responses are carried out effectively.

Risk Response/Control Activities						
Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Assist the campus with risk response and control activities that cross multiple operating and/or control units	ERM Process Reviews	Assist in developing action plans to mitigate identified risks using the ERM process	<ul style="list-style-type: none"> • Controlled Substances Program • Recommendations for improving the process for Reasonable Accommodations • Report on investigations 			
Determine the current level of ERM activities on campus	ERM Activities	Survey current ERM activities and communicate results to VC-Administration	Survey on Enterprise Risk Management			
Identify where key risk and performance indicator data are located on campus/medical centers	Develop indicators	Identify location of data for monitoring key risk and performance indicators.	Data location listing completed			
Determine root cause of risk and develop risk mitigation plan	Retrospective Reviews	Risk Management brings risk owners together post settlement for review.	Retrospective reviews on all losses >\$50,000.			
Preplanning for Mission interruption is ongoing and sustainable	UC Ready	Business/Mission continuity plans are developed at department level.	Increase in number of plans completed.			
Performance Management is ongoing and sustainable.	Balance Score Card	Vision, strategy, objectives and goals are set and measured.	Balance Score Card program is implemented.			

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COSO Element	Information and Communication
Element Purpose	Relevant information is identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the entity.
ERM Initiative Goals	Establish and maintain a campus communications structure/support network to support the University's risk management philosophy.

Information and Communication						
Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Act as a campus resource for information on risk and control topics, links and best practices	Web Site	The Controls, Accountability and Risk Management Office web site will be enhanced to provide useful information and links	Enhanced web site			
Push out to the campus, risk and control issues	Newsletter	In partnership with Audit and Advisory services, the staff will produce a newsletter called "Risky Business."	Semi-annual newsletter			
Facilitate greater understanding of ERM	Training LMS	Local training on applying the ERM model to unit activities	One-hour informational sessions			
Institutional knowledge and training is continuously improved.	LMS	Content is developed and training is promoted.	Increase in documented training.			

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COSO Element	Monitoring
Element Purpose	Control activities are monitored, and modifications are made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.
ERM Initiative Goals	<ul style="list-style-type: none"> • Develop measures for monitoring key risks and communicate findings to responsible executives. • Assist the campus and individual units identify and assess risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis.

Monitoring						
Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Answer the question, "Are our controls adequately mitigating risks so that the campus can achieve its goals?"	Metrics Development	Develop key risk indicators and key performance indicators. The project will include developing a means of communicating the indicators to decision makers. The project would build on the work done at the campus/medical centers.	<ul style="list-style-type: none"> • Simple dashboard for annually monitoring the key risk and performance indicators • On-line dashboard for communicating selected monthly key risk and performance indicators 			

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