Enterprise Risk Management
March 16, 2017

Photo credit: Teddy Kelley (Stocksnap.io)
Agenda

- Team Introductions
- ERM Overview
- Project Management
- Exercise
- Team Rules

Clayton Kramp, Mines Student, Applied Math ’18
Team Introductions

Tell us...

• Who you are

• What you do

• How long you’ve been at Mines

• Something you geek out on

Photo credit: Samuel Zeller (Stocksnap.io)
Team Introductions

**Academic Affairs**
- Jahi Simbai
- Andrea Morello
- Patti Nichols
- Vanessa Gonzales/Nichole Bigley

**Administration & Operations**
- Trish Green
- Barb O’Kane
- Katie Schmalzel
- Natalie Martinez
- Tressa Constantineau Ries/Deputy Controller

**Student Life**
- Jenny Nichols
- Bob Mask

*Photo credit: Samuel Zeller (Stocksnap.io)*
IA's Role

- Be a resource
- Perform administrative tasks
- Facilitate the process

Source Credit: The Institute of Internal Auditors
“One is too small a number to achieve greatness. No accomplishment of real value has ever been achieved by a human working alone.”

- John C. Maxwell
Risks

Risks are **EVERYWHERE** in many forms

- Operational risk
- Strategic risk
- Compliance risk
- Reputational risk
- Financial risk
- Health and safety risk
- Cyber risks

Photo credit: Laine Metzler (Stocksnap.io)
Optimal Risk-Taking Yields Maximum Value

Source Credit: COSO: Risk Assessment in Practice by Deloitte & Touche, LLP
BENEFITS OF IMPLEMENTING ERM

- Achieving Mines’ objectives
- Purposeful resource allocation
- Informed decisions
- Collaboration
- Break down barriers
- Impact of interrelated risks
ERM Survey Key Highlights

**Purpose:** Gain an understanding of how risk management occurs at Mines

- 16 participants
- 3 areas: Academic Departments, A&O, and Student Life
- 7 Questions
ERM Survey Key Highlights

Varying perceptions of Mines risk appetite

On a scale from 1 (risk averse) to 5 (risk taker), how would you define Mines risk appetite?

- On a scale from 1 (risk averse) to 5 (risk taker), how would you define Mines risk appetite?

- # of responses

- Academic Affairs
- Admin & Operations
- Student Life
ERM Survey Key Highlights

We have a "do what you want" culture and any policy following is considered too risk averse. We take unknown risks due to not knowing the potential impact. There is a certain level of risk related to research.

How would you define Mines’ risk appetite?

Inconsistent - we are very risk averse on some things that aren't high priority and vice versa.
Is there a common meaning of risk across campus?  

NO

How do you define risk?

- “Risk is the **likelihood** that a person may not be **harmed** or suffers adverse health effects if exposed to a **hazard**”
- “Management of **uncertain** or **unanticipated** conditions that impact business operations/goals”
- **Rule breaking** or **results in harm** to CSM”
- “I generally think of risk as the **likelihood** of something (generally bad) – a threat - **being realized**”
- “Don’t know”
- “Your definition of types above is the **first time** I’ve specifically considered a definition”
- “Causing significant harm to Mines from a **financial, reputation, and academic standing** perspective”
ERM Survey Key Highlights

Challenges/barriers to risk management

- Lack of tools/resources: 60%
- Lack of collaboration across departments: 50%
- Lack of knowledge: 40%
- Lack of training: 50%
- Lack of authority: 30%
- Other: 20%
- No barriers or challenges: 10%
Next Steps

- Create and train core team of risk owners and leaders
- Establish roles, commitment and define risk
- Develop framework to assess risk
- Perform initial risk assessment
- Monitor performance and report on metrics
- Expand the team and refine the process
Planned Milestones

2017

12/31/2016
Determine need & make recommendations

2/28/2017
Socialize ERM and identify participants

4/30/2017
Train participants

5/31/2017
Formalize goals

8/31/2017
Define risk appetite

10/31/2017
Develop framework
Planned Milestones (cont.)

2018

2/28/2018 Perform initial risk assessment

4/30/2018 Prioritize risks and develop response plans

6/30/2018 Monitor performance and reporting

Ongoing Communication
Questions
Vision Statement for Project Management

“Project Management tools and techniques are common knowledge across the Mines community and are leveraged, in the course of business, to increase the success of projects.”

Link:
ppm.mines.edu

Contact:
Clayton Durkee
Project & Portfolio Manager
cdurkee@mines.edu
303-273-3019
Method for Specific Project Deliverables
Team Exercise

Get with a partner and plan a surprise party for a friend. Each person takes turns saying a sentence, starting each sentence with “Yes, but”...

...now do the same thing but instead of “Yes, but” say “Yes, and.”

https://www.youtube.com/embed/HOfVon-4dzc?autoplay=1&hd=1&rel=0&KeepThis=true&TB_iframe=true&height=370&width=640?autoplay=1&hd=1&rel=0

Source: Avish Parashar, www.dinghappens.com
Team Rules!

1. “Yes, and”
Next Meeting

March 28, 2017 from 3:30pm to 5pm
Student Center E134

Action Items

✔ Review charter and project plan and provide feedback by March 27 (All)