Five Risk Management Principles of Champion Members

Adrian Albrich, Laurie Kemper, Lisa Masters, Scott Moss, Dunny Sorensen, John Zakariassen
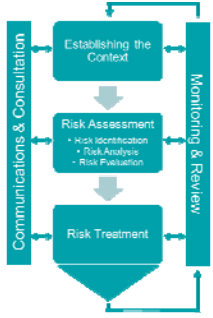

Why ERM – ISO 31000

- Future of Risk Management
- International Standard of Risk Management
- Risk Management Education Using ERM
- Better Decisions
- Greater Accountability
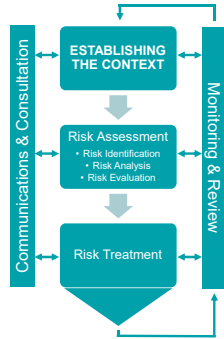- Reduce Losses
- Improve Outcomes

ERM Framework

- Establish internal and external context
- Risk assessment
- Risk treatment
- Monitor results
- Communicate and consult with internal and external stakeholders

Establish Context

1. Mission/Strategic Plan
2. Risk Tolerance
3. Risk Policy
4. Executive Risk Team
5. Internal Stakeholders

Communications & Consultation

ESTABLISHING THE CONTEXT

Risk Assessment
• Risk Identification
• Risk Analysis
• Risk Evaluation

Risk Treatment

Monitoring & Review

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1. Mission & Strategic Plan

Develop a Mission for the ERM team
• What is your purpose?

Align with your entity's Strategic Plan
• How you will achieve your goals?

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2. Risk Tolerance

Determine your risk tolerance
• High
• Moderate
• Low

Determine amount of risk to retain vs. transfer

3. Risk Policy

Develop a risk policy that outlines
- ERM objectives
- Executive responsibility
- Board risk oversight committee responsibility
- Staff risk management committee responsibility

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4. Executive Risk Team

| Various department reps | Identify risk exposures | Assign risk owners | Develop transfer or methods to reduce risks | Meet at least four times per year |

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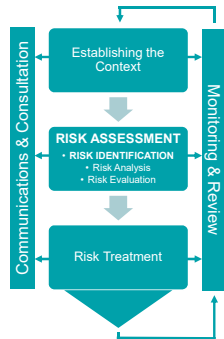cisoregon.org

5. Internal Stakeholders

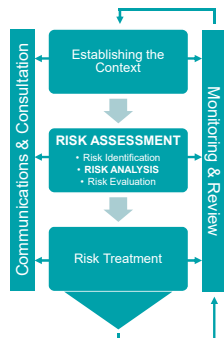**Identify who the internal stakeholders are in your entity** — **How do they play a role in your ERM program?**
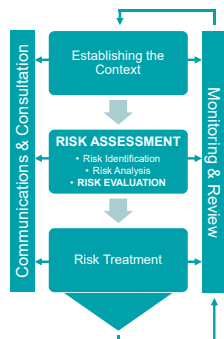
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Risk Assessment: Risk Identification

Communications & Consultation

Establishing the Context

RISK ASSESSMENT
• **RISK IDENTIFICATION**
 • Risk Analysis
 • Risk Evaluation

Risk Treatment

Monitoring & Review

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Risk Assessment: Risk Analysis

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Establishing the Context

RISK ASSESSMENT
• Risk Identification
• **RISK ANALYSIS**
• Risk Evaluation

Risk Treatment

Monitoring & Review

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Risk Assessment: Risk Evaluation

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Establishing the Context

RISK ASSESSMENT
• Risk Identification
• Risk Analysis
• **RISK EVALUATION**

Risk Treatment

Monitoring & Review

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Risk Assessment

| CIS Risk Checklist | CIS Best Practices | Interview Staff | Scenario Brainstorming |
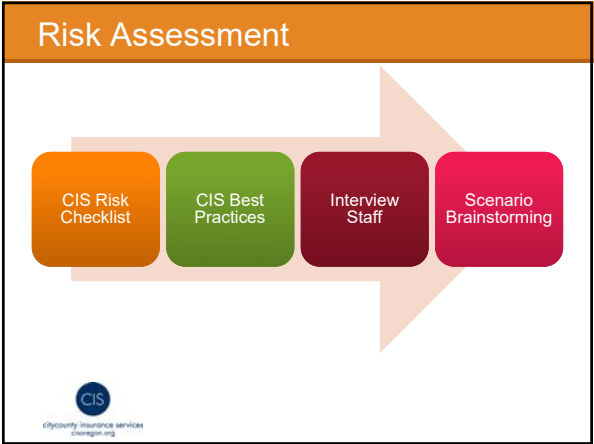
CIS Risk Checklist - cisoregon.org

- ❑ Employment
- ❑ Law Enforcement
- ❑ Planning/Zoning
- ❑ Public Works
- ❑ Elected Officials
- ❑ Facilities
- ❑ Technology

- ❑ Financial
- ❑ Contracts
- ❑ Parks & Rec.
- ❑ Community Centers
- ❑ Vehicles
- ❑ Health/Human Resources
- ❑ Fire

Risk Register

Risk	Category	Description	Frequency	Severity	Probability	Owner	Treatment Plan

Risk Map

Risk Treatment

ERM Treatment

ERM Monitoring

Communications & Consultation

Establishing the Context

Risk Assessment
• Risk Identification
• Risk Analysis
• Risk Evaluation

RISK TREATMENT

MONITORING & REVIEW

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ERM Monitoring

Benchmarks

Early warning signals

Investigations

Create dashboards

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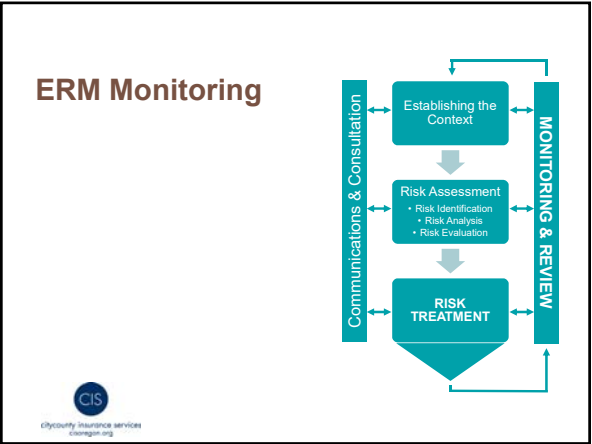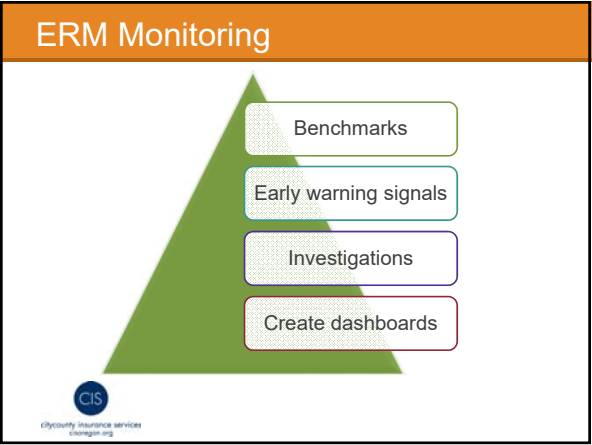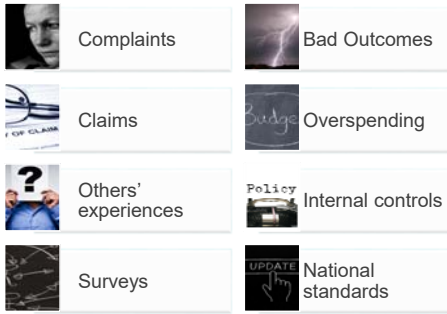## ERM Monitoring — Dashboards

1. Identify the metric
2. Obtain data for the metric
3. Determine metric boundaries
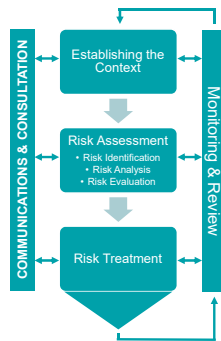4. Measure the above against the old thresholds

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ERM Monitoring — Examples

Complaints		Bad Outcomes	
Claims		Overspending	
Others' experiences		Internal controls	
Surveys		National standards	

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ERM Communication

COMMUNICATIONS & CONSULTATION

Establishing the Context

Risk Assessment
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Risk Treatment

Monitoring & Review

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ERM Communication

Use current communication channels

Add "Threats & Opportunities" to internal reports and Council reports

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Positive Outcomes with ERM

Establishing the Context

Risk Assessment
- Risk Identification
- Risk Analysis
- Risk Evaluation

Risk Treatment

Communications & Consultation

Monitoring & Review

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1 Creates Value

2 Risk treatment becomes part of culture

3 Clear format for addressing uncertainty

4 Systemic & structured method worldwide

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5 Provides for ownership, responsibility, and accountability

6 Transparent and reactive

7 Facilitates continual improvement

Questions?