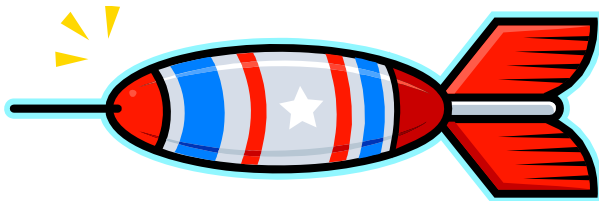


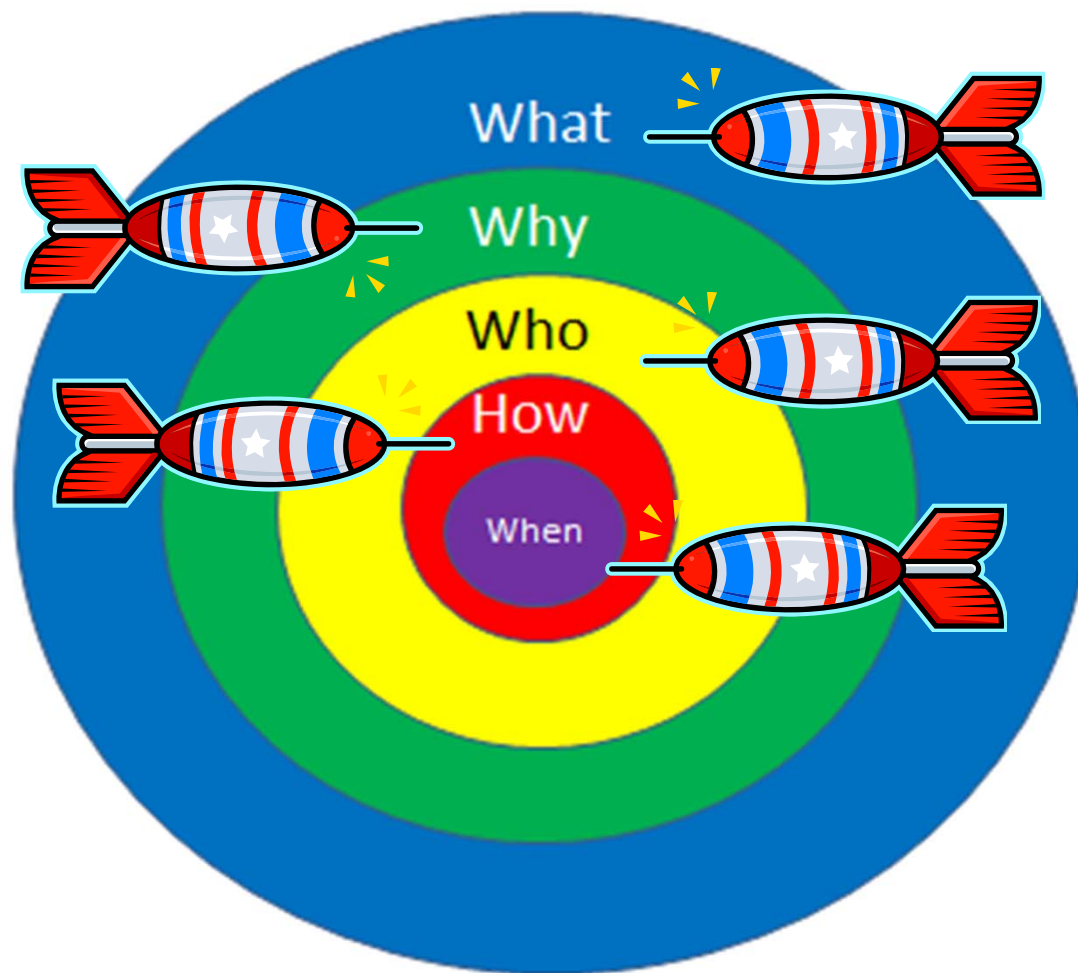


Enterprise Risk Management & Decision Assist Risk Tools



Scott Moss, P/C Trust Director

Agenda



citycounty insurance services
www.cisoregon.org

Enterprise Risk Management
Is The Future

What Is ERM & DART

What is ERM

-  COSO Definition

-  RIMS Definition

-  ISO Definition

-  CIS Definition

What is DART



What is ERM – COSO Definition

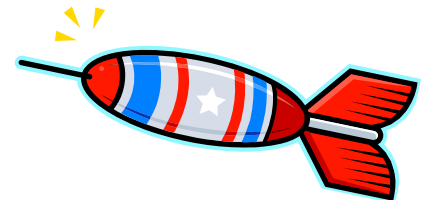
ERM is a **process**,

effected by an entity's board of directors,
management and other personnel,

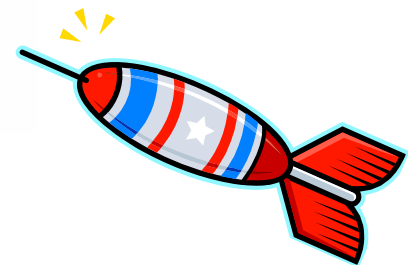
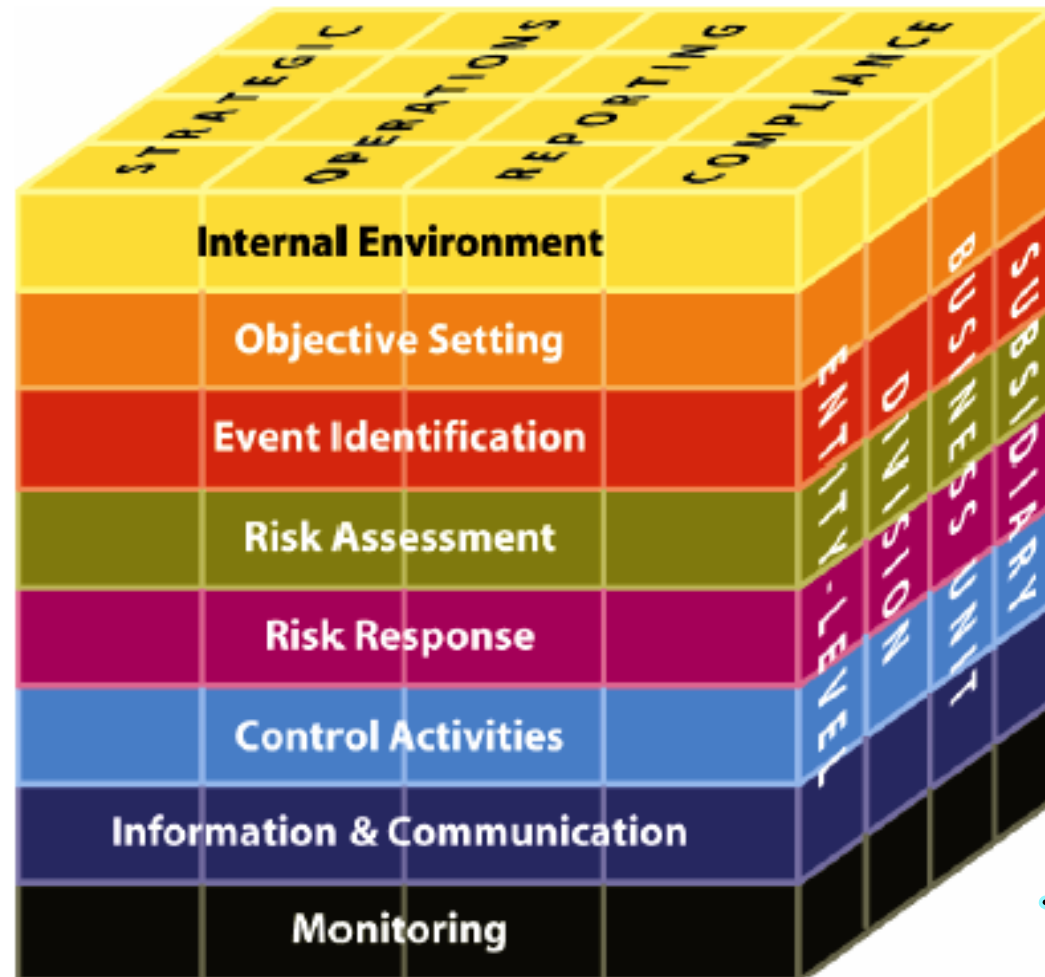
applied **in strategy-setting and across the
enterprise**,

designed to **identify potential events** that may affect
the entity and **manage risk to be within its risk
appetite**,

to provide assurance regarding the achievement of
an entity's objectives.

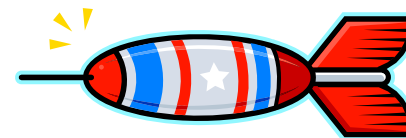


COSO Framework



RIMS Definition

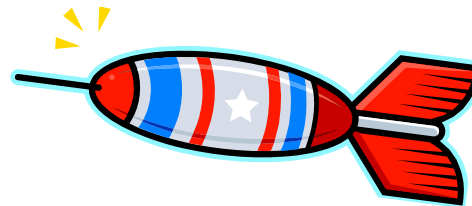
- ERM is a **strategic** business discipline that supports the **achievement of an organization's objectives** by addressing the **full spectrum of its risks** and managing the combined impact of those risks as an interrelated risk portfolio.



ISO 31000 Definition

(Enterprise) Risk Management is a coordinated effort to direct and control all activities related to risk.

- It defines risk as the **effect of uncertainty on objectives**.
- It therefore ties the management of risk to what is most important to the organization.
- The **responsibility for managing risk** is spread across the organization to those who have accountability and authority – **risk owners**.

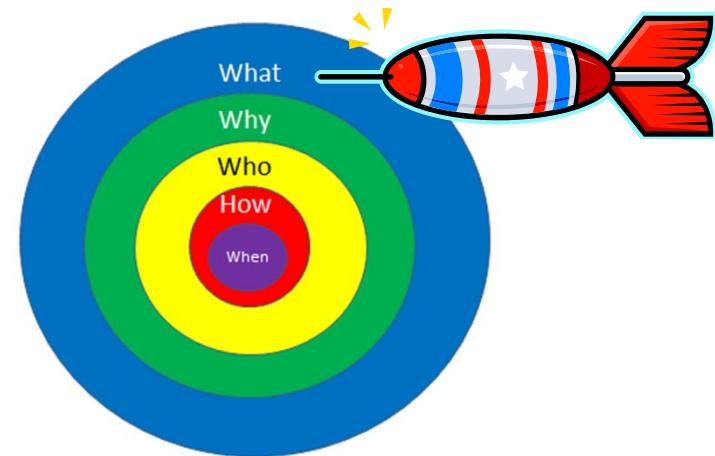


ANSI/ASSE/ISO 31000:2009

CIS Definition

A Framework For Decision Making

Executive team ownership of positive and negative outcomes of decisions impacting member objectives.



DART – Decision Assist Risk Tools

Member-focused ERM services and tools:

 ERM Framework

 ERM Consulting

 Executive Risk Management Team

 Sample Risk Registers

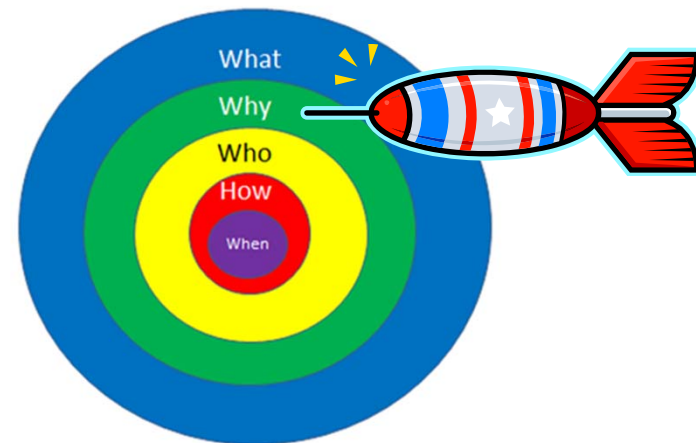
 Sample Risk Mitigation Plans

 Sample Monitoring



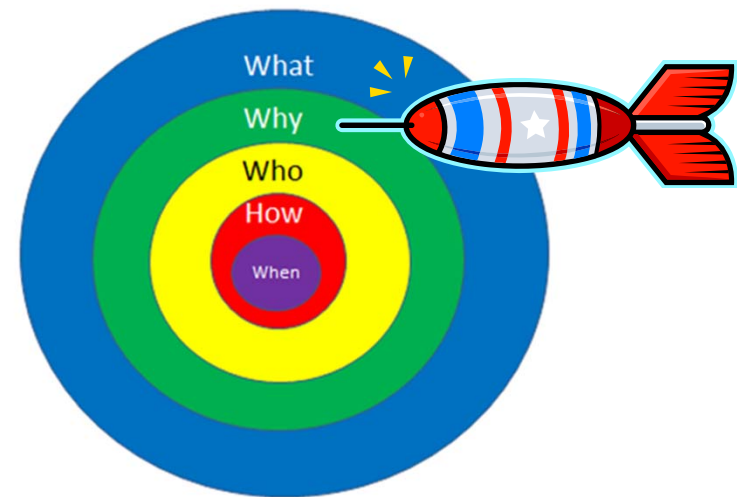
Why?

1. Enhance skills to make decisions with opportunities and threats in mind.
2. Formal risk owners and risk mitigation plans.
3. Better monitoring of risks with early warning flags, benchmarks, and dashboards.










Why?

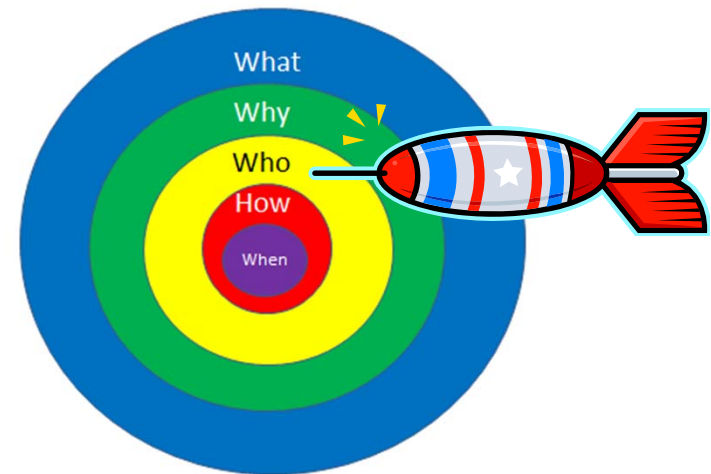
4. Better outcomes of objectives.
5. Good management.
6. Improve accountability.
7. Save money.



Who?

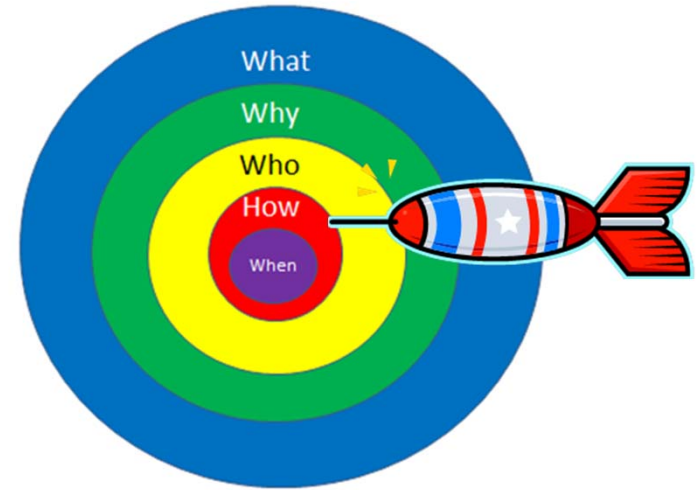
Executive Team (Leadership Team)

-  City Manager/County Administrator
-  Finance
-  Public Works
-  Police Chief/Sheriff
-  Parks
-  Human Resources/Risk
-  Attorney



How?

1. Identify your goals and objectives.
2. List positive outcome and negative outcome (risks).
3. Quantify each risk.
4. Identify risk owners.
5. Develop risk mitigation plans.
6. Monitor.



Common Local Government Goals



Common Local Government Goals




Uncertainty

Risk Management
helps you
discover both
threats and
opportunities



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Risk
is simply **uncertainty**
(both good and bad!)

Risk Management
helps you discover both
threats and opportunities.

Corporate Risk Unit: 01245 430244 email: risk@essexcc.gov.uk
Online Risk Register (ICAD): <http://riskregister.essexcc.gov.uk>

Essex County Council

List the Positive & Negative Outcomes

- Governance
- Operational
- Public Image
- Compliance
- Technology
- Hazard
- Human Resource

- Contracts
- Volunteers
- Special Events
- Vehicles
- Economic
- Finance
- Parks, Police,
Public Works...



Quantify Risks

Frequency

How often
can it occur?

- 5. Annually
- 4. Every Other Year
- 3. Every Five Years
- 2. Every 10 Years
- 1. Every 50 Years

Severity

How much
will it cost?

- Over \$1,000,000
- Under \$1,000,000
- Under \$500,000
- Under \$100,000
- Under \$10,000

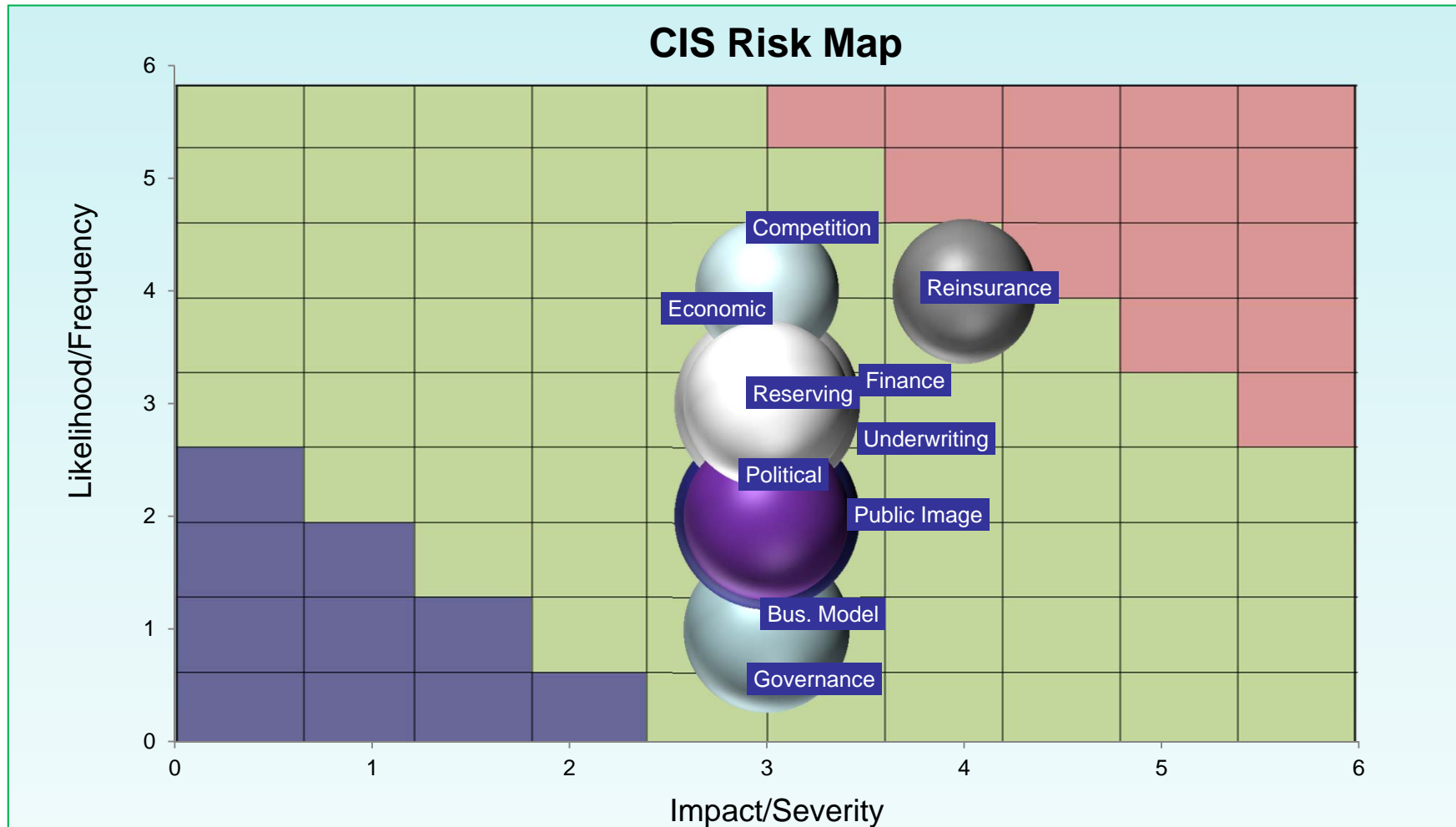
Probability

The probability of
a bad outcome

- Over 90% (9/10 times)
- Over 50% (more likely than not)
- Under 50%
- Under 10%
- Under 1% (1/100)



Risk Map



Assign Risk Owners

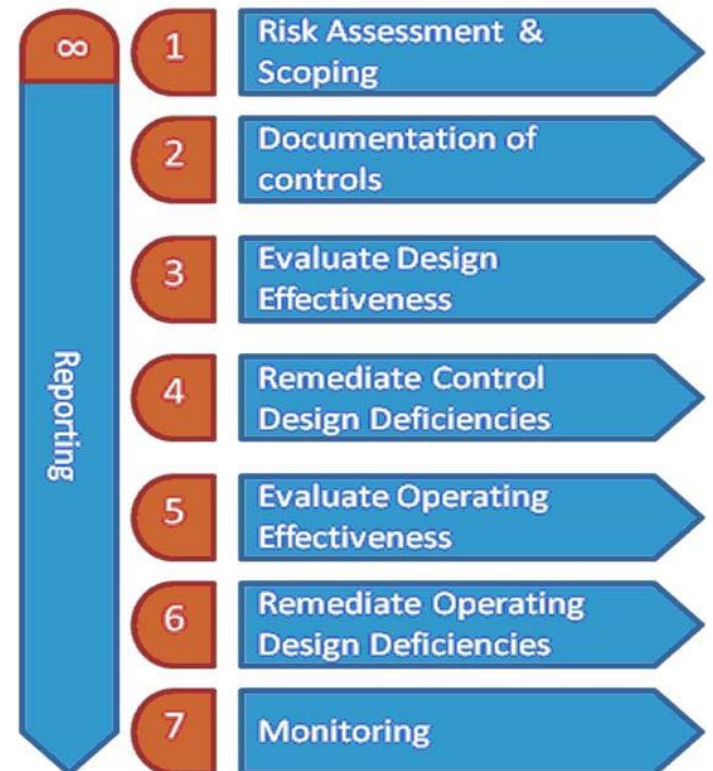
Individual assigned to “own” the risk.

- Develops mitigation plans
- Monitors risks
- Accountable



Risk Mitigation Plans

- CIS will have sample mitigation plans on our website.
- Simple plans are usually the best plans.

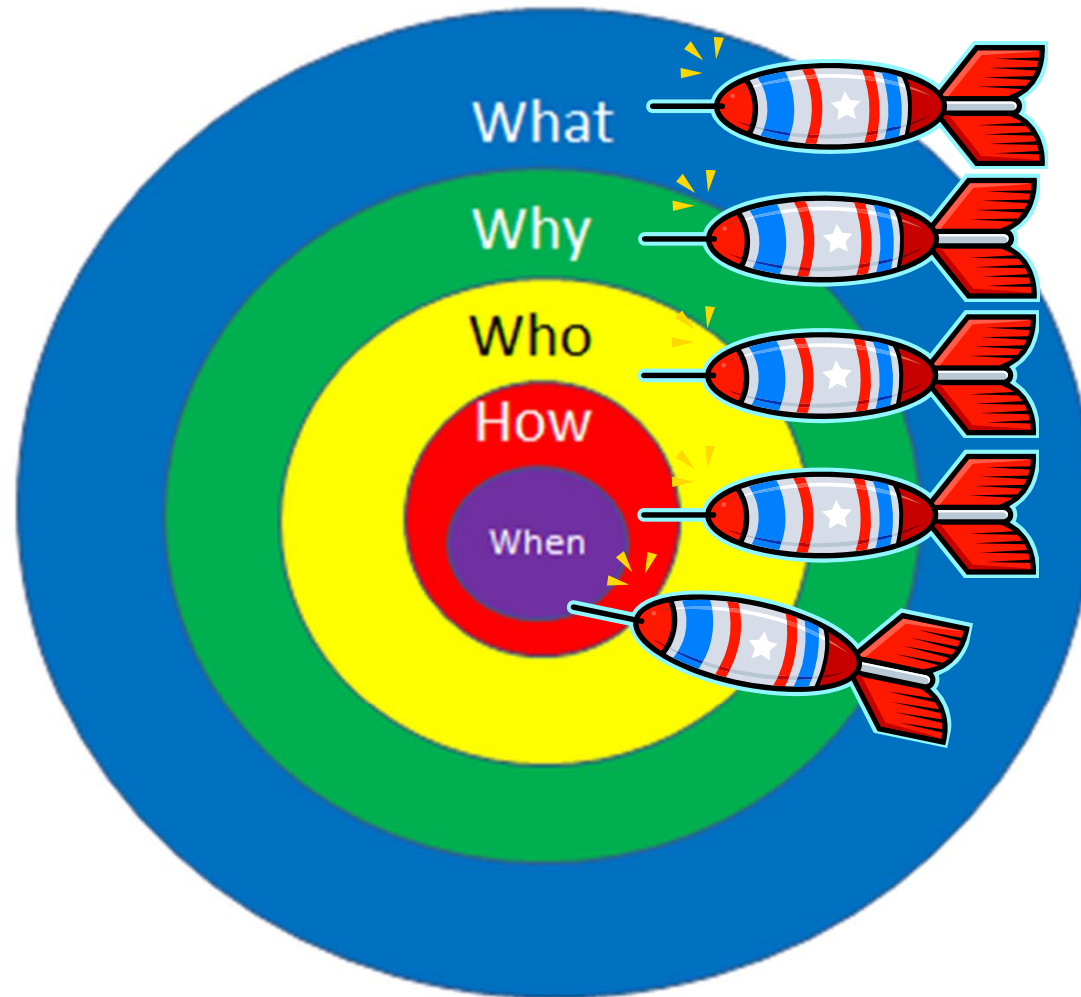


Monitor

- CIS will provide sample dashboards and monitoring tools on our website.



Review



Questions?

ENTERPRISE



MANAGEMENT



citycounty insurance services
www.cisoregon.org

Contact Information

ENTERPRISE



MANAGEMENT

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503-763-3840



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