



UNIVERSITY OF  
WEST GEORGIA

Last N/A  
Approved  
Effective N/A  
Next Review N/A

Area Risk/Security/  
Envrnmntl Hlth &  
Safety  
(Procedures)

## Enterprise Risk Management

Authority for Procedure granted by [UWG PL#7001, Environmental Risk Management and Compliance.](#)

**Management** The management of enterprise risk at the University of West Georgia (UWG) is fundamentally a leadership responsibility. Institutional leadership will define the UWG's ability (risk tolerance) and willingness (risk appetite) to absorb the impact of certain risks. The President, through senior staff and institutional leadership, shall ensure that UWG's risks are effectively managed.

### A. Enterprise Risk Management (ERM) Process

The Enterprise Risk Management (ERM) process at UWG follows the University System of Georgia (USG) Board of Regents (BOR) guidance (see [BOR Policy 7.11, Risk Management](#)).

~~The University President is responsible for identifying, assessing, and managing risks using the ERM process. The President designates the ERM Coordinator with overall responsibility for the USG risk management program.~~

- ~~1. A risk assessment is administered by the ERM Coordinator with the involvement of the President's Cabinet. The specifics of the risk assessment will vary over time; however, the risks will encompass strategic, compliance, reputational, operational, and financial-related risks.~~
- ~~2. Follow-up discussions are conducted with assessment respondents as necessary.~~
- ~~3. An overview of survey results will be presented to the President's Cabinet for consideration in goal development and future funding prioritization.~~

~~The results of the risk assessment will be reviewed with Cabinet quarterly.~~

The University President is responsible for overseeing the identification, assessment, and management of significant risks using the ERM process.

The Enterprise Risk Management (ERM) Coordinator, with involvement of the President's Cabinet, administers risk assessments. These assessments cover various areas, including strategic, compliance, reputation, operational, and financial risks. Follow-up discussions are conducted as necessary. Risk

assessment results are reviewed periodically with the President's Cabinet for consideration in goal development and funding prioritization.

## **B. Risk Categories and Acceptance**

Enterprise ~~risks are defined as significant~~Risks refers to the probable and potential conditions, events, circumstances, actions or inactions that could adversely affect an institution's ability to achieve objectives and execute strategies. ~~Enterprise risks are categorized as:~~

Risk is inherent in any activity and refers to the probability of an event occurring, along with its potential positive and negative consequences. Risks at UWG are interconnected and may have greater collective impacts when multiple risks occur simultaneously.

UWG categorizes risks broadly into six main areas for effective management:

1. ~~Strategic~~**Strategic Risk** – ~~Affects~~Affect the achievement of ~~overarching~~university-wide goals and objectives.
2. ~~Compliance~~**Compliance Risk** – ~~Affects compliance~~Adherence with ~~federal, state and local~~ laws, ~~rules and~~ regulations, and policies.
3. ~~Reputational~~**Reputational Risk** – Affects public perception and the organization's overall reputation.
4. ~~Financial~~**Financial Risk** – Affects ~~assets,~~ budgets, financial reporting ~~and,~~ auditing, and asset management.
5. ~~Operational~~**Operational Risk** – ~~Affects business~~Relate to processes, systems, ~~technology,~~ human resources, facilities, ~~student services~~ and other areas that impact ~~the~~ efficiency or effectiveness ~~of operations.~~
6. **Hazard Risk** - Arise from events that may disrupt university operations, including natural and man-made disasters.

~~Some level of risk is not only expected in normal everyday activities but can be beneficial. However, acceptance of risk shall not include:~~

While risks are expected, the University shall not accept the following:

- Willful exposure ~~of students, employees, or others~~ to unsafe environments or activities;
- Intentional ~~violation~~violations of federal, state, or local laws;
- Willful violation of contractual obligations; or,
- Unethical behavior.

## **C. Roles and Responsibilities**

The **University President** ensures that institutional risks are managed in the USG ERM process. The President shall notify the USG when certain institutional risks escalate as certain risks may require the

Chancellor and Board's acceptance.

These risks include those likely to:

- : Impair USG strategic goals or objectives;
- : Result in substantial financial costs exceeding the institution's capacity or jeopardizing its core mission;
- : Significantly damage the institution's or USG's reputation;
- : Require intervention by the Board of Regents or an external body.

The President shall designate in writing an ERM Coordinator with sufficient authority to ensure high-level management of the institution's risk management efforts and to assist administrators in maintaining the institutional risk management framework. (See [Internal Audit Charter](#))

The **ERM Coordinator** oversees the implementation of risk management policies and reviews major risks on the institution's behalf. The President designates the Internal Auditor as the ERM Coordinator with overall responsibility for the UWG risk management program (See USG list of [Risk Management Policy Coordinators](#))

## **D. Review**

Institution risk management framework and procedures shall be reviewed annually. Periodic reviews for compliance with the system-wide guidelines shall also be conducted by Internal Audit or a similar accountability function.

## **Definitions**

**Enterprise Risk** - An event or action/inaction that may adversely affect the institution's and/or departments' abilities to achieve objectives and execute strategies successfully.

**Enterprise Risk Management (ERM)** - a process-driven tool that enables management to visualize, assess, and manage major risks that may adversely impact the attainment of key organization objectives.

## **Guidelines/Related material**

- : [Office of Internal Audits webpage](#)
- : [Internal Audit Charter \(PDF\)](#)

### **Board of Regents**

- : [Enterprise Risk Management webpage](#)
- : [Risk Management Policy Coordinators](#)
- : [Policy Manual 7.9.2 Internal Audit](#)

: [Policy Manual 7.11 Risk Management](#)

## Approval Signatures

Step Description

Approver

Date