

Risk Owners: Who, How and What Do They Do?

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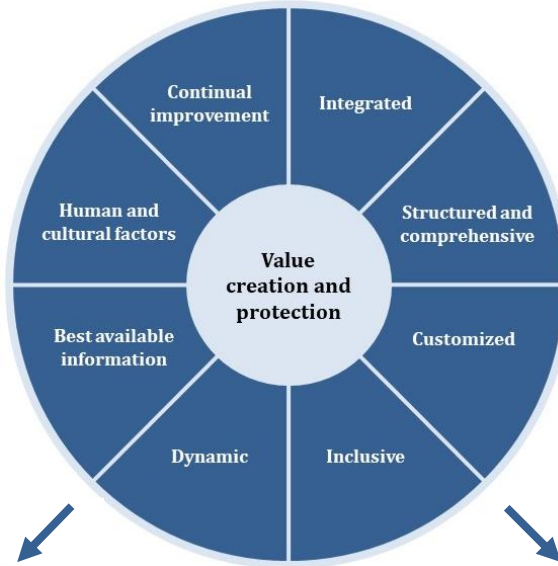
Agenda

- Anatomy of an ERM Program
- Determining the Right Risk Owners
- Roles and Responsibilities
- Accountability and Reporting
- Commonly Asked Questions
- Q & A

Anatomy of an ERM Program

- Establish the framework for making ERM consistent, repeatable and integrated
 - Provide for governance and oversight
- Identify and prioritize key risks, assign risk owners
 - Provide oversight and coaching
- Report and communicate
- Integrate ERM into decision making, projects, etc.
- Rinse and repeat! (And adapt and improve)

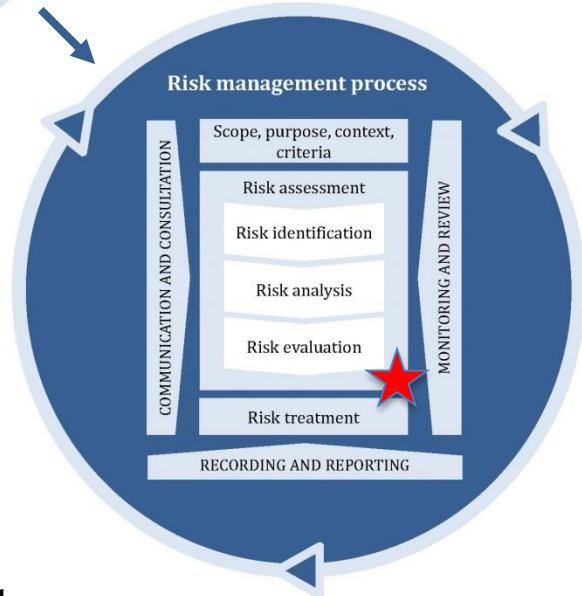
Purpose & Principles



The Framework



Risk Management Process



ISO 31000 – Figure 1

Risk Owner Definition

3.3.14

Risk owner

person or entity with the accountability and authority to manage *risk* (3.1.1)

3.1.1

Risk

effect of *uncertainty* (3.1.3) on *objectives* (3.1.2)

From ISO 31073: 2022

Risk Management – Vocabulary

Risk Owners – Description

Risk owners require:

- A good knowledge and an understanding of their area of risk;
- The appropriate level of decision-making authority within the organization;
- Access to resources such as people and funding;
- Suitable training in risk management; and
- Knowledge and understanding of key stakeholders.

Determining the Right Risk Owners

Top management... should ensure that the authorities, responsibilities and accountabilities for relevant roles with respect to risk management are assigned and communicated at all levels of the organization, and should:

- Emphasize that risk management is a core responsibility;
- Identify individuals who have the accountability and authority to manage risk (risk owners).

Problem Solving #1 – Utility District

- Advisory Committee created; framework established; process to identify risks determined
- Key risks identified through interviews; risks compiled into a Risk Register
- Prioritization and assignment of risks – STALLED!
- No one wanted to report problems to the GM
- ERM program shifted to one department willing to acknowledge risks and assign accountability
- The enterprise ERM program waited for new management!

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Problem Solving #2 – K-12 School

- Advisory Committee was created; framework established; process to identify risks determined
- Key risks identified at an all-staff and faculty meeting; compiled into a Risk Register
- Advisory Comm ranked risks, assigned Risk Owners
- Some Risk Owners were unresponsive to oversight by people with less authority
- Demonstrated the value of ERM through examples from other areas and decision-making workshops
- Executive Sponsor and peer pressure – what's the long view?

Key Questions & Clues

In Your Entity:

- What is the level of acceptance of *holding people accountable*?
- Who's your leader, your champion or executive sponsor? *Will they support accountability?*
- Is there existing collaboration across divisions or departments? *Can you build upon that?*

Who's the Ideal Risk Owner?

Ideal risk owners have:

- The authority to act,
- The ability to collaborate and be responsive, and
- The willingness to communicate and be held accountable

How This Works (In Real Life)

The Risk Owner:

- Reviews and revises risk data, once assigned
- Brings people together to document what's currently being done and problem solve potential solutions
- Designs treatments and assigns risk treatment owners
- Develops and manages action plans (portions can be assigned to others)
- Collaborates with other Risk Owners as needed
- Keeps risk data up to date (can be assigned to others)

Roles and Responsibilities

Risk Data *Should* Include:

- An easy identifier (number or title)
- Risk description
- Score (likelihood, consequence)
- Sources, causes, triggers
- Risk owner and treatment/control owners
- Treatment plans
 - Existing and new programs, training or controls
 - Who, how much & when

Roles and Responsibilities

Risk Data *Could* Include:

- Who, how, when the risk was identified
- Category or type of risk
- Budget info; requests for funding
- Cross references to other risks or risk plans that could affect *this* risk
- Risk “watcher,” advisor or assigned committee member

Accountability and Reporting

Board of Commissioners

- Provides authority to implement; reviews key risks & progress, identifies strategic risks

Executive Team

- Monitors progress, reports to the Board of Commissioners
- Approves policies recommended by the ERM Executive Sponsor, provides oversight

ERM Executive Sponsor(s)

- Recommends policies & provides risk reports, reports on progress

ERM Working Group

- Develops plans, policies and processes; supervises the identification and prioritization of risks; reports to the Executive Sponsors; provides training and communication on ERM

Risk Owners

- People with authority to manage individual risks, develop treatment plans and delegate activities

Commonly Asked Questions

Should Risk Owners...

- Be able to re-rank their assigned risks?
- Be the “worker bee” or the “queen bee?”
- Have access to all risks?

Any Other Questions??

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Thank you for your time!

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