Overview

University Risk Philosophy

The University takes a broad view of "risk" as any event that could affect the University's competitive position or ability to achieve its mission, vision, and strategic objectives. The University acknowledges that risk is present in virtually all its endeavors, and that successful risk-taking will often be necessary to achieve its goals. RIT does not seek to eliminate *all* risk; rather it seeks to be risk-aware and to effectively manage the uncertainty inherent in its environment. RIT seeks to identify, understand, assess, and respond to the risks facing the university, taking into account their impact on the RIT community and RIT's standing, reputation, financial position, and performance.

Enterprise Risk Management (ERM) is a structured business process designed to identify, evaluate, and respond to risks that could affect the university's ability to achieve its strategic goals and objectives. ERM is proactive in nature and designed to assist organizations in identifying potential risks before the risks become an active issues. An active ERM Program protects organizations like RIT from the potentially costly and negative legal, operational, and strategic impact of risks left unaddressed.

The ERM Life Cycle

RIT | Enterprise Risk Management

Step 1 **Establish and Understand the Context**

- Understand organizational objectives and both external and internal environmental factors
- Define scope of risk assessment

Step 2 **Risk Identification & Description**

- Find, recognize, and describe risks
- Assign an owner to each risk

Step 3 **Risk Analysis & Prioritization**

- Score risks by analyzing the impact and likelihood of occurrence for each risk
- Evaluate and prioritize immediacy of the risks

Step 4 **Formulate Risk Response**

- Develop a Risk Response Plan to address the risk, consulting with subject matter experts, as necessary

Step 5 **Report Findings & Response**

- Inform and discuss risks and risk management with appropriate stakeholders, including Board of Trustees (BOT)

Step 6 **Monitor Risk Plans**

- Routinely check the status of each risk and revise response plans as needed

In addition to the ERM Program, this Risk Assessment and Response Guide can be utilized for interim Risk Assessments conducted within your area, college, or department. Risk Assessments should be conducted whenever there is a change in the University environment for your area with the potential to impact RIT's strategic goals, objectives, and mission.

The Office of Compliance and Ethics (OCE) is a resource for all stakeholders in the ERM process. We are available to answer questions, facilitate risk assessment workshops, and conduct other educational/training sessions. Please reach out to complianceandethics@rit.edu for assistance.

Additional guidance is also available on the OCE Enterprise Risk Management website.

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RIT's Risk Philosophy and ERM Program Purpose, Goals and Objectives, and Guiding Principles

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ERM Program Purpose

The purpose of RIT's ERM program is to enhance the university's ability to achieve its mission, vision, and strategic objectives, and strengthen its competitive position by fostering a university-wide culture of risk awareness. The ERM Program is intended to provide a structured, consistent, and continuous process for the early and proactive identification and reporting of material risks to senior management and the Board of Trustees.

ERM Goals and Objectives

1.   **Create a Culture of Risk Awareness**. Assist university employees understanding, considering, risk and integrating risk management in decision-making and identifying, managing, and reporting on risk in a systematic and timely way.

2.   **Reduce Operational Surprises and Losses**. Assist management in optimizing the use of university resources and safeguarding university assets, including people, financial resources, property, and reputation.

3.   **Facilitate Greater Transparency and Openness**. Provide senior leadership with timely and robust information that improves their understanding of enterprise-level risks across the university. Provide the university community with a common language and a framework for identifying, assessing, responding to, and reporting on risk.

4.   **Enhance Enterprise Decision-Making**. Assess and respond to risks in the context of the university's strategic objectives, while considering related risk factors both internal and external to the university environment.

5.   **Improve the Efficiency and Effectiveness of Risk Management Efforts**. Use existing management processes, reporting and approval channels, and organizational structures to strengthen current risk management activities and practices.

ERM Guiding Principles

RIT seeks to establish a risk-aware university culture where consideration of risk is integrated into decision-making at all levels of the university. The guiding principles support that culture and set expectations for the university community regarding risks.

1. All individuals, regardless of their role at the university, are empowered and expected to report to senior management any perceived risks or failures of existing control measures, without fear of retaliation.

2. Risk management is integral to the management and future of the university, and is a shared responsibility at all levels of the university.

3. Ownership and management of risk will be retained within the university function, department, or unit that creates the risk or is best capable of responding to it.

4. The university's risk philosophy will guide strategic and operational decisions at all levels.

5. RIT encourages an open and honest discussion of the university's environment, strategy, risks, and actions taken in pursuit of its objectives.

6. All good faith reports of material or significant risks will be responded to promptly and with integrity by the university, and information about risks will be shared promptly with senior management and other key stakeholders as appropriate.