

# ENTERPRISE RISK MANAGEMENT

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# Enterprise Risk Management (ERM)

**Enterprise Risk Management provides an organization-wide approach to the identification, assessment, communication and management of risk.**

**Risk can be defined as any issue that impacts the ability to meet objectives.**

**ERM framework addresses five risk elements:**

- Risk governance
- Risk assessment
- Risk quantification
- Risk monitoring and reporting



# Enterprise Risk Management (ERM)

**Provides a coordinated approach to assess, analyze, mitigate and monitor risks and opportunities that affect the achievement of the Tollway's strategic objectives.**

**Focuses on strategy and expands the traditional risk management process to include all risks not just those associated with accidental losses**

**Moves organizations away from a fragmented, ad-hoc and reactive process to one that actively communicates risks across departments and identifies enterprise-wide solutions.**



# Enterprise Risk Management Benefits

- Focuses on mission and objectives**
- Preserves and creates value**
- Emboldens innovation**
- Enhances agility and resilience**
- Formalizes process and governance**
- Improves quality of decisions**
- Helps in allocation of resources**
- Empowers subject matter experts**
- Improves stakeholder confidence and trust**



# ERM Project



Ongoing project management and quality assurance

## Key Activities

- Establishment of ERM Steering Committee
- Complete facilitated risk assessment interviews with management
- Identify key risks and complete risk rankings
- Identify risk response strategies and develop plans for ongoing ERM maintenance



# Sarbanes-Oxley Act

The Sarbanes-Oxley Act of 2002 (“SOX”) is a federal law enacted to enhance governance and accountability

Requires documentation and reporting of internal control systems.

Increases accountability and transparency



# SOX Project



Ongoing project management and quality assurance

## Key activities and outcomes

- Identify key business processes and financial accounts
- Develop process documentation (process flows, narratives and risk matrices)
- Assess control design and make recommendations for improvement
- Develop and execute internal control operating effectiveness testing plan
- Work with management to formulate plan to address control design and operating deficiencies





THANK YOU