

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

Phase I Phase II Phase IV

Planning (May 18-June 1) Risk assessment surveys and interviews (June 2-June 30)

Identify key risks and risk rankings (June 20-July 20)

Risk assessment report (August)

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

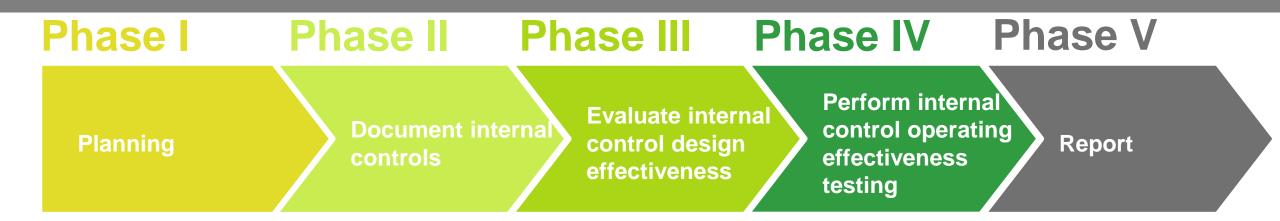
The Sarbanes-Oxley Act of 2002 ("SOX") is a federal law enacted to enhance governance and accountability

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



