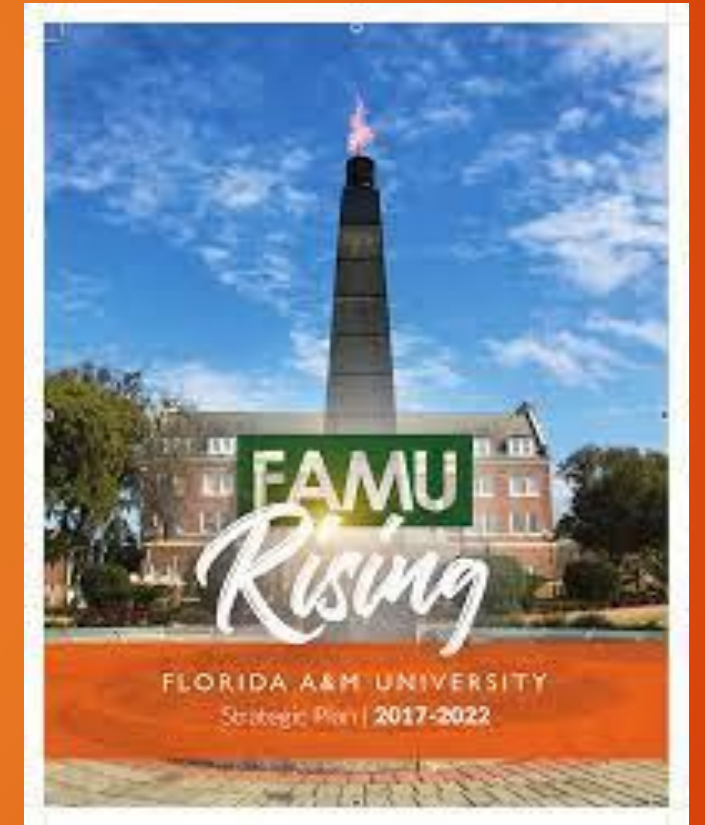




Assessing Risk to Strategy and Performance



- Direction and Action Plans
- Prioritizes and Aligns Activities
- Defines Accountabilities
- Enhances Communication and Commitment
- Provides a Framework for Ongoing Decision Making



The Importance of Strategy

- Performance management is the process of ensuring that a set of activities and outputs meets an organization's goals in an effective and efficient manner.
- Performance management can focus on the performance of an organization, a department, an employee, or the processes in place to manage particular tasks.
- Focus to establish and build a culture – set and achieve goals – specific and measurable



The Importance of Performance





Risk is the probability that an event will occur and adversely affect the achievement of objectives.

Risk Defined

Risk Assessment is the identification and analysis of risks to the achievement of an organization's objectives for the purpose of determining how those risks should be managed.

Assessing Risk

Enterprise Risk Management (ERM) is defined by the Committee of Sponsoring Organizations (COSO) as “a **process**, effected by an entity’s board of directors, management and other personnel, applied in **strategy-setting** and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide **reasonable assurance** regarding the achievement of **entity objectives**.”

Enterprise Risk Management (ERM)

*Enterprise Risk
Management Framework:
Integrating with Strategy
and Performance
(June 2017)*

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Integrating with Strategy and Performance © 2017
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Title

COSO

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Enterprise Risk Management
Integrating with Strategy and Performance



June 2017

Volume I



Governance & Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops, and Retains Capable Individuals



Strategy & Objective-Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives



Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritizes Risks
13. Implements Risk Responses
14. Develops Portfolio View



Review & Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues improvement in Enterprise Risk Management



Information, Communication, & Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture, and Performance

20 Key ERM Principles

The ERM Framework explores strategy from three perspectives:

- Possibility of strategy and business objectives not aligning with mission, vision and values
- Implications from the strategy chosen
- Risk to executing the strategy



ERM Link to Strategy

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ERM Tie to Strategy and Performance

COSO

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Thought Leadership in ERM



**CREATING AND
PROTECTING
VALUE**

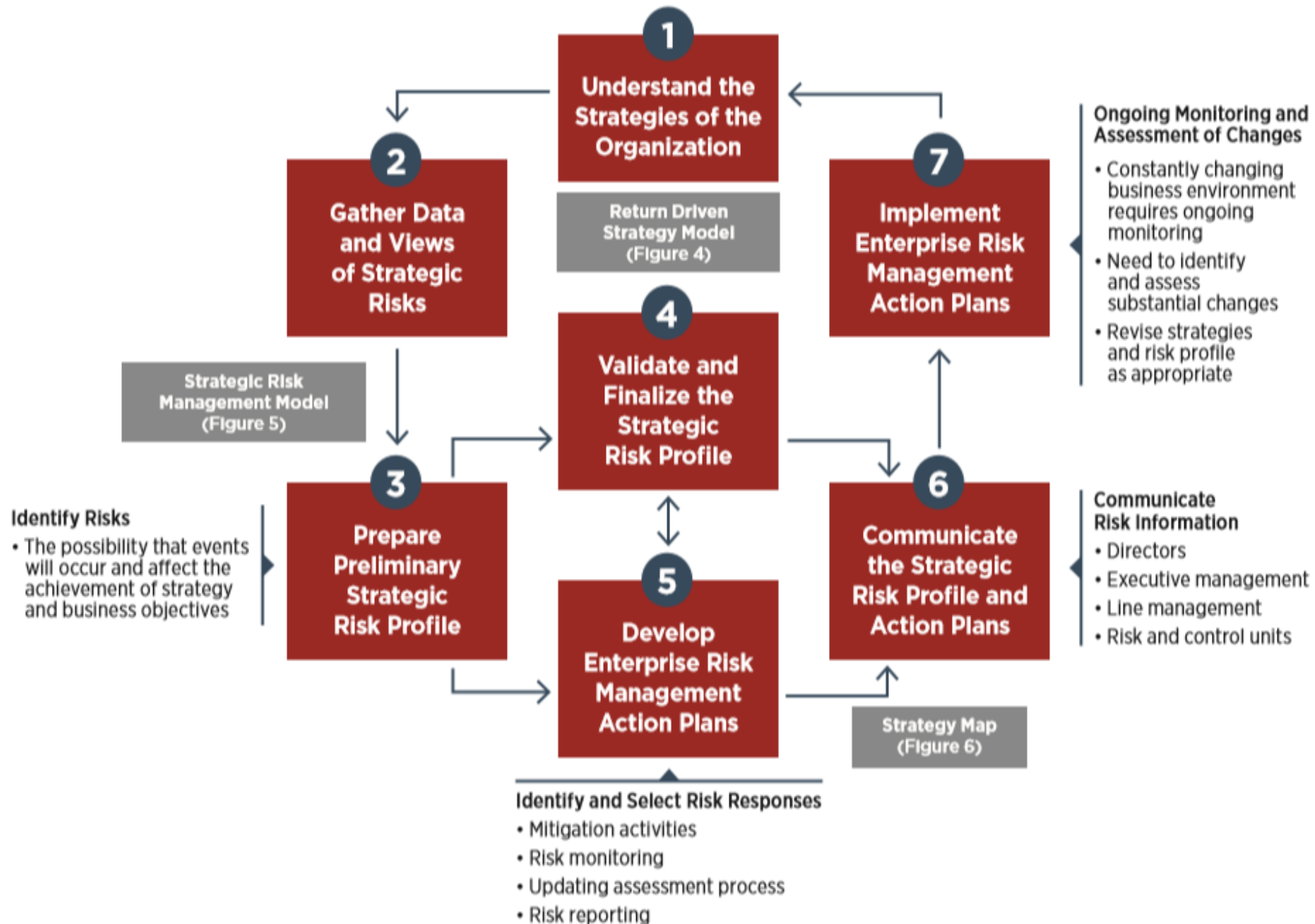
**UNDERSTANDING AND IMPLEMENTING
ENTERPRISE RISK MANAGEMENT**

By

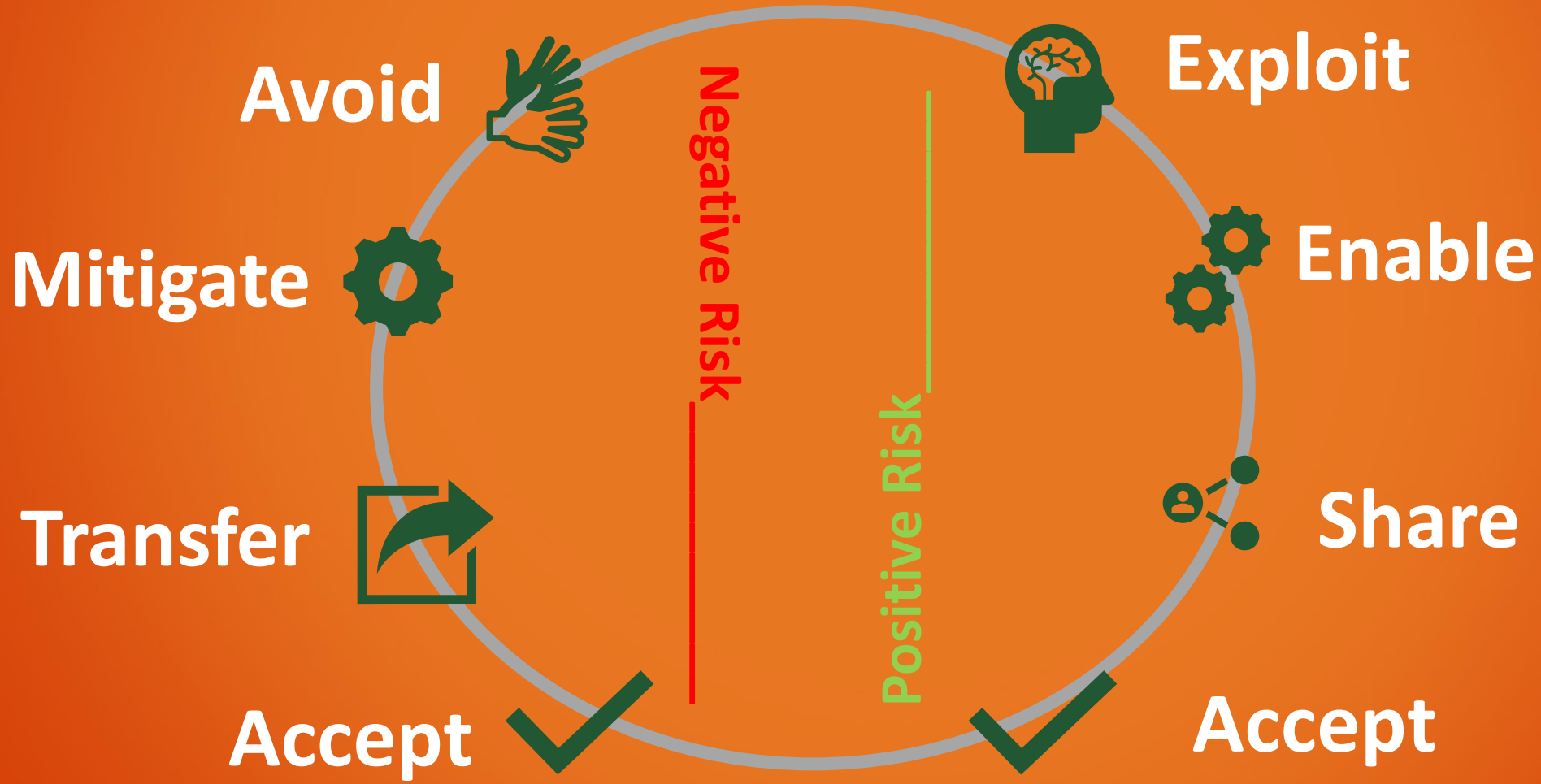
Richard J. Anderson | Mark L. Frigo

Title

Figure 3. Strategic Risk Assessment Process



Title



Risk Response

STRATEGIC PRIORITY 5: FIRST-CLASS BUSINESS INFRASTRUCTURE

Goal 1: Recruit, develop, and retain diverse and excellent staff

Goal 2: Adopt a new budgeting model to more effectively support institutional strategic priorities

Goal 3: Improve transparency and strengthen internal controls to improve compliance and support strategic decisions

Goal 4: Enhance business processes to improve efficiency and cost effectiveness in University operations

Goal 5: Leverage technology and establish a data-driven culture

Strategy - Example

2021 FAMU Accountability Plan

Graduation Rate:

4. FTIC Four-Year Graduation Rate [Full-time, First Time in College students]

	2012-16	2013-17	2014-18	2015-19	2016-20	2017-21	2018-22	2019-23	2020-24	2021-25
ACTUAL	18.3	21.6	22.5	27.7	34.6	.	.	.	.	.
APPROVED GOALS	18	20	25	30	35	38	40	42	45	.
PROPOSED GOALS	.	.	.	.	.	38	40	42	45	48

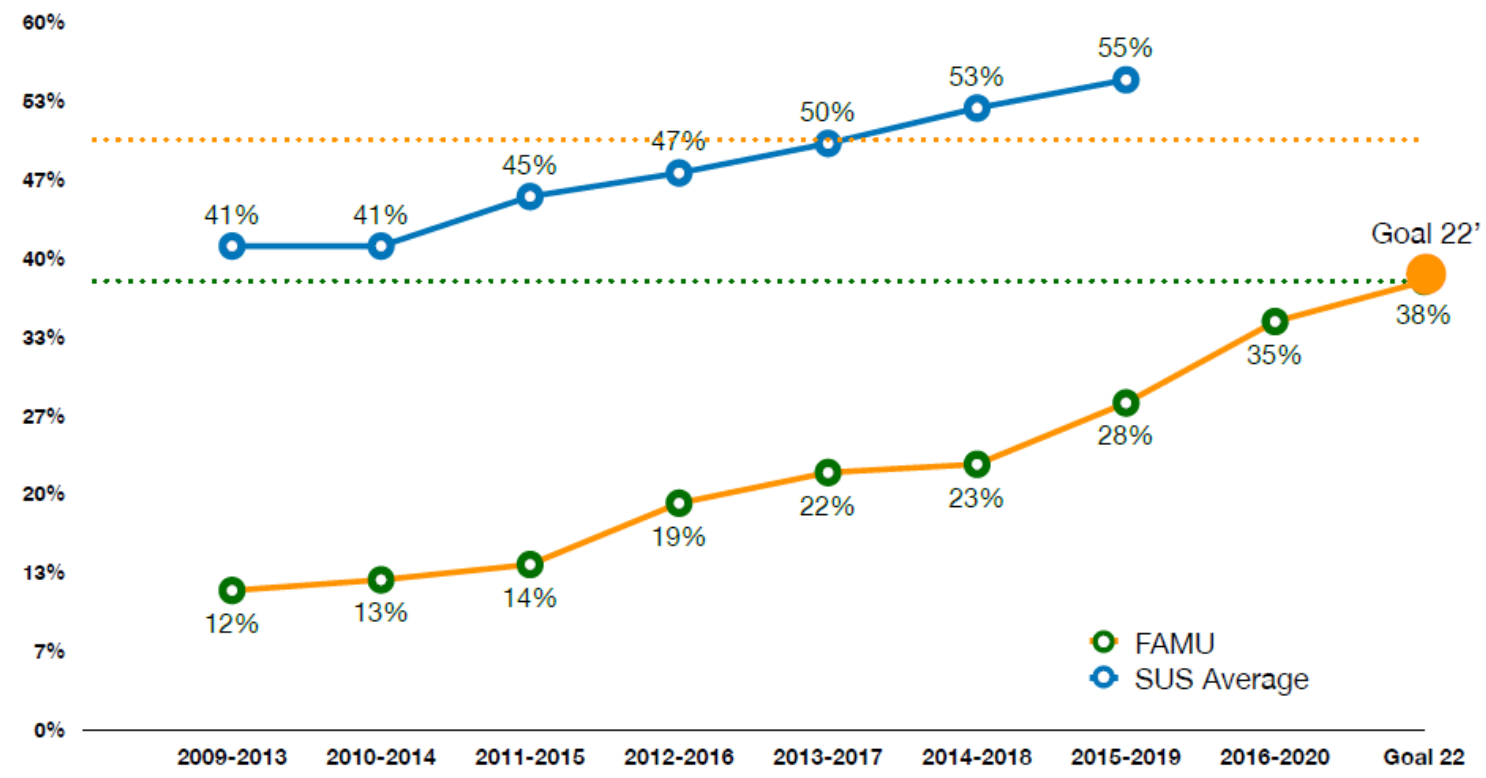
Performance - Example

Key Initiatives

- Enhanced academic and student support services
- Strategic recruitment
- Office of Freshman Studies
- Data analytics

Benchmarks for PBF Metric 4

Excellence Points									
10	9	8	7	6	5	4	3	2	1
50.0%	48.8%	47.5%	46.3%	45.0%	43.8%	42.5%	41.3%	40.0%	38.8%
Improvement Points									
5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%



2020 SUS Comparison for PBF Metric 4

	FAMU	FAU	FGCU	FIU	FPOLY	FSU	NCF	UCF	UF	UNF	USF	UWF
2011-15	13.5	24.0	21.5	27.1	.	62.6	57.0	40.4	68.0	30.2	48.8	21.5
2012-16	18.3	25.6	21.7	28.6	.	66.0	52.5	43.6	68.3	32.9	52.0	22.0
2013-17	21.6	27.5	23.0	33.8	.	68.4	53.6	43.7	66.7	34.7	57.4	25.2
2014-18	22.5	33.9	28.8	38.9	36.6	71.5	55.7	45.7	67.3	38.6	58.6	31.3
2015-19	27.7	37.4	35.7	42.8	39.5	69.5	57.9	46.3	70.9	44.6	59.4	34.8
YOY CHANGE	5.2	3.5	6.9	3.9	2.9	-2.0	2.2	0.6	3.6	6.0	0.8	3.5
2015-19 GOAL	30	36.8	33	41	37	71	57.5	46.8	70	43	59.2	33



Please send all questions and requests for further information on governance to the Division of Audit:
auditandcompliance@famu.edu

Questions? More Information?

Thank you!



FLORIDA A&M UNIVERSITY

Founded in 1887 as the State Normal College for Colored Students, Florida Agricultural and Mechanical University (FAMU) is the only historically state supported educational facility for African Americans in Florida. It has always been co-educational. In 1890, the second Morrill Act was passed. This enabled the school to become the Black Land Grant College for the State of Florida. In 1891, the college was moved from its original location west of town to its present location which was once the site of "Highwood," Territorial Governor W.P. Duval's slave plantation. The site is one of the highest hills in Tallahassee. The school was known as Florida A&M College from 1909 until 1953 when it attained university status.