



UNIVERSITY OF
WEST GEORGIA

Last Approved N/A
Effective N/A
Next Review N/A

Area Risk/Security/
Envrnmntl Hlth &
Safety
(Procedures)
Chief Or
Responsible Chief Legal
Party Officer

Enterprise Risk Management

Authority for Procedure granted by [UWG PL#7001, Risk Management and Compliance](#).

The management of enterprise risk at the University of West Georgia (UWG) is fundamentally a leadership responsibility. Institutional leadership will define the UWG's ability (risk tolerance) and willingness (risk appetite) to absorb the impact of certain risks. The President, through senior staff and institutional leadership, shall ensure that UWG's risks are effectively managed.

A. Enterprise Risk Management (ERM) Process

The Enterprise Risk Management (ERM) process at UWG follows the University System of Georgia (USG) Board of Regents (BOR) guidance (see [BOR Policy 07.11, Risk Management](#)).

The University President is responsible for overseeing the identification, assessment, and management of significant risks using the ERM process.

The Enterprise Risk Management (ERM) Coordinator, with involvement of the President's Cabinet, administers risk assessments. These assessments cover various areas, including strategic, compliance, reputation, operational, and financial risks. Follow-up discussions are conducted as necessary. Risk assessment results are reviewed periodically with the President's Cabinet for consideration in goal development and funding prioritization.

B. Risk Categories and Acceptance

Enterprise Risks refers to the probable and potential conditions, events, circumstances, actions or inactions that could adversely affect an institution's ability to achieve objectives and execute strategies.

Risk is inherent in any activity and refers to the probability of an event occurring, along with its potential positive and negative consequences. Risks at UWG are interconnected and may have greater collective impacts when multiple risks occur simultaneously.

UWG categorizes risks broadly into six main areas for effective management:

1. **Strategic Risk** – Affect the achievement of university-wide goals and objectives.
2. **Compliance Risk** – Adherence with laws, regulations, and policies.
3. **Reputational Risk** – Affects public perception and the organization's overall reputation.
4. **Financial Risk** – Affects budgets, financial reporting, auditing, and asset management.
5. **Operational Risk** – Relate to processes, systems, human resources, facilities, and other areas that impact efficiency or effectiveness.
6. **Hazard Risk** - Arise from events that may disrupt university operations, including natural and man-made disasters.

While risks are expected, the University shall not accept the following:

- Willful exposure to unsafe environments or activities;
- Intentional violations of federal, state, or local laws;
- Willful violation of contractual obligations; or,
- Unethical behavior.

C. Roles and Responsibilities

The **University President** ensures that institutional risks are managed in the USG ERM process. The President shall notify the USG when certain institutional risks escalate as certain risks may require the Chancellor and Board's acceptance.

These risks include those likely to:

- Impair USG strategic goals or objectives;
- Result in substantial financial costs exceeding the institution's capacity or jeopardizing its core mission;
- Significantly damage the institution's or USG's reputation;
- Require intervention by the Board of Regents or an external body.

The President shall designate in writing an ERM Coordinator with sufficient authority to ensure high-level management of the institution's risk management efforts and to assist administrators in maintaining the institutional risk management framework.

The ERM Coordinator oversees the implementation of risk management policies and reviews major risks on the institution's behalf. The President designates the Director of Compliance and Risk Management as the ERM Coordinator with overall responsibility for the UWG risk management program (See USG list of [Risk Management Policy Coordinators](#))

D. Review

Institution risk management framework and procedures shall be reviewed annually. Periodic reviews for compliance with the system-wide guidelines shall also be conducted by the Office of Compliance and Risk Management or a similar accountability function.

Definitions

Enterprise Risk - An event or action/inaction that may adversely affect the institution's and/or departments' abilities to achieve objectives and execute strategies successfully.

Enterprise Risk Management (ERM) - a process-driven tool that enables management to visualize, assess, and manage major risks that may adversely impact the attainment of key organization objectives.

Guidelines/Related material

- [Office of Compliance and Risk Management webpage](#)
- [Internal Audit Charter](#) (PDF)

Board of Regents

- [Enterprise Risk Management](#) web page
- [Risk Management Policy Coordinators](#)
- [Policy Manual 07.09.02 Internal Audit](#)
- [Policy Manual 07.11 Risk Management](#)
- [Business Procedures Manual - Section 16.00: Audits, Other Engagement Services, Ethics & Compliance](#)

Approval Signatures

Step Description

Approver

Date