

Risk Management Philosophy

Enterprise Risk Management is a process, effected by an university's Board of Trustees, Senior Leadership, and faculty and staff, applied in the strategy setting and across the enterprise, designed to identify potential events that may affect the entity and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of university objectives. At UNCG, this process started with implementation of the process in our strategic planning. [An overview of this process is available here.](#)

The Office of Enterprise Risk Management (ERM) defines "traditional risk management" within the context of the university's operations as the systematic identification of the University's exposure to the insurable or transferable risk of loss and the decisions which must be made how to best handle this exposure while considering the financial interests of the University. This process, or insurance needs analysis, within the framework of the Enterprise Risk Assessment provides for the identification, analysis, and evaluation of risks to the university as well as the mitigation strategies related to risk transfer or risk financing.

The university's philosophy of risk management has its foundation in the concept that taking risks is required in order to seek rewards and to fulfill the university's multi-faceted mission. However, these risks should be assessed in order to insure that effective mitigation strategies are employed to the greatest extent possible. Mitigation strategies should consider transferring or insuring risk, reducing the likelihood of the risk occurring, reducing the severity of the risk should it occur, avoiding the risk altogether, or accepting the risk, while continuing to monitor it to ensure it stays within the university's risk appetite.

While applying these practices, the ERM department's efforts will continue to be focused on identifying, measuring, and being proactive in assisting university divisions and department identifying risks, including strategic, reputational, financial, operating, compliance, and hazard risks.