



## Developing a risk intelligent institution—The core pillars

Higher Education institutions have complex and unique organizational structures that are often steeped in historical context. While each institution will benefit from a structure that best fits its culture and leadership priorities, institutions with alignment of Enterprise Risk Management, Internal Audit, and Compliance functions are typically found to be more risk intelligent institutions that can be responsive to the myriad of risks they will face.

### Enterprise Risk Management

A program to **identify, assess, prioritize, respond to,** and **monitor** risks

#### Key Benefits:

- Provides the tools, processes, and underlying culture to help uncover risks
- Transparent, proactive, and consistent visibility of key risks and areas of potential compliance issues

### Internal Audit

A program to provide **assurance** that controls are in place and **advise** on and **anticipate** on emerging risks

#### Key Benefits:

- Provides assurance that controls, policies, procedures, and processes are in place
- Deliver recommendations to address observations identified
- Advise management on leading practices
- Address emerging risks in the industry

### Compliance

A program to **monitor**, and **ensure compliance** with, regulations and the regulatory environment

#### Key Benefits:

- Identification of applicable regulations
- Develops actionable plans to ensure good standing with regulations
- Manages relationships with the various regulatory bodies

#### FOUNDATIONAL ELEMENTS



#### RISK AWARE CULTURE

Risk aware culture enables risk informed decision-making across the institution



#### RISK REGISTER

Maintaining a comprehensive risk register enables the institution to understand the variety of risks it faces, including IT



#### EXECUTIVE SUPPORT

Executive support around risk empowers stakeholders to incorporate risk in their day-to-day work



#### COMMUNICATIONS

Written communications released on a regular basis to provide updates across a range of topics to stakeholders



#### POLICIES AND PROCEDURES

Formality of policies and procedures help an institution standardize and processes

#### CONTACTS

**Cynthia Vitters**  
Managing Director  
Deloitte & Touche LLP  
Mobile: + 571.424.0046  
Email: [cvitters@deloitte.com](mailto:cvitters@deloitte.com)

**Dawn Jones**  
Managing Director  
Deloitte & Touche LLP  
Mobile: + 703.251.1871  
Email: [dawjones@deloitte.com](mailto:dawjones@deloitte.com)

**Tina Griffiths**  
Senior Manager  
Deloitte & Touche LLP  
Mobile: + 440.251.5162  
Email: [tgriffiths@deloitte.com](mailto:tgriffiths@deloitte.com)

**Elizabeth Walton**  
Senior Manager  
Deloitte & Touche LLP  
Mobile: + 216.385.3971  
Email: [elwalton@deloitte.com](mailto:elwalton@deloitte.com)

**Jake Braunsdorf**  
Senior Manager  
Deloitte & Touche LLP  
Mobile: + 202.304.8059  
Email: [jbraunsdorf@deloitte.com](mailto:jbraunsdorf@deloitte.com)



## Developing risk intelligence within higher education

Alignment of Internal Audit (IA), Enterprise Risk Management (ERM), and Compliance provides a functional and effective apparatus to identify and respond to risks facing higher education. By aligning these three foundational capabilities, institutions become risk intelligent.



### Identify, Assess, Mitigate, Respond

- 1 ERM → Compliance: Risk mitigation development strategies/plans feeds Compliance's control enhancement and design efforts
- 2 ERM → IA: Risk Prioritization output feeds Internal Audit's work plan that focuses on the highest impact risks to audit

### Assure, Advise, Anticipate, Act

- 3 IA → ERM: Provides assurance priority risks are managed appropriately; risk management program & internal control framework are operating effectively
- 4 IA → Compliance: informs potential updates and/or modifications to control designs and policies

### Design, Assess, Implement, Articulate

- 5 Compliance → IA: Provides reports to IA on compliance program activities that help inform IA's audit plan and scope
- 6 Compliance → ERM: Control monitoring output informs the risk register by indicating processes or business units with higher levels of noncompliance

A risk intelligent culture supports the active identification, monitoring, assessment, and ability to respond to risks in a consistent and transparent manner. The diagram provides our perspective on the components of a risk intelligent institution.