



Who Should Read

- Heads of School
- CFOs
- Risk management leadership

The Pingry School's Introduction to Risk Management Presentation

A Sample Slide Deck Used to Educate the School
Community on Managing Risk and the Role They Play

Ways to Use these Slides

Use these slides as an example of how to educate your school community on the importance of risk management and how community members can identify and report potential risks

Resource Overview

Use Sample Slides to Inform Your School's IRM Education Campaign

Content of Workshop Presentation

The Pingry School created a slide deck for members of the school community with three goals in mind: to educate the broader community on risk management, ask them to identify risks, and encourage ongoing reporting on risk.

In order to achieve these goals, the slides include the following:

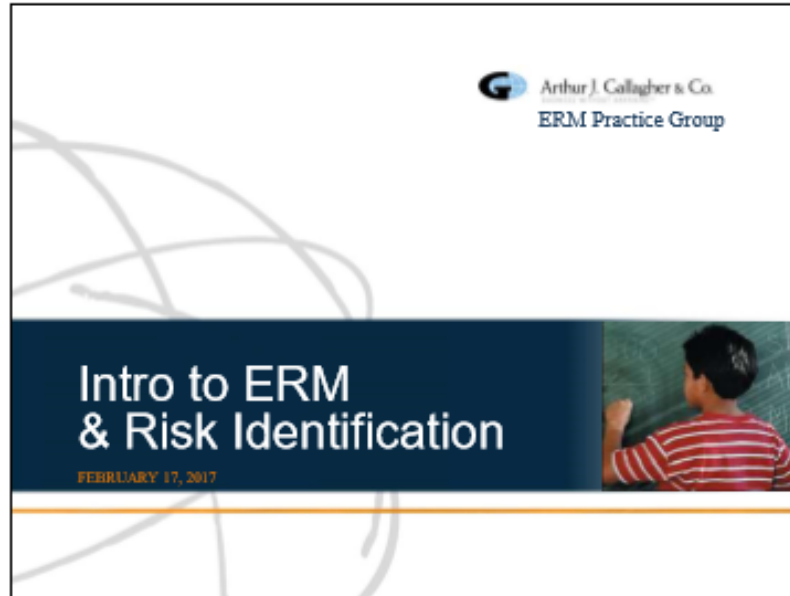
- A detailed overview of the institutional risk management (IRM) process
- A connection between risk management and institutional priorities, mission, and values
- An outline of the benefits of the institutional risk management process for the school
- Clear next steps and a charge for participants to continue risk reporting by using an online form

The school presented these slides to every member of the faculty and staff, as well as board members in order to ensure that there was school-wide understanding and buy-in. The presentation asked participants to begin identifying risks during the session. By beginning the risk identification process in the moment, participants demonstrated understanding immediately and the school illustrated their commitment to the process.



Instructions for Creating Educational Slides

1. Begin by reviewing The Pingry School's slide deck. As you review the slides, think about how you might incorporate some of the information included (e.g. on the importance of risk management for the school). Make note of key points.
2. Next, create your own slides to educate your school community, have them identify risks to the institution, and illustrate their role in the process. Your slide deck should work toward for the following outcomes:
 - Shared language:** Participants should understand IRM and be familiar with key terms after the presentation
 - School-specific context:** Align risk management with your school's mission, values, and priorities. Connect the IRM process with your school's short- and long-term goals
 - Demonstrated benefits:** Highlight the ways in which engaging in the IRM process will benefit the school and support its long-term health and success
 - Clear next steps:** Introduce the risk reporting structures and ask participants to begin identifying potential risks to the institution
3. Once you have created the slides, share them with the school community. Think about the best method to present your slides to each constituent group at the school, and select the most appropriate presenter for each group. For example, faculty members might respond well to a presentation from a faculty representative on the risk management committee.



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ERM: Getting to "Yes"

Opportunity:

- Community college culinary arts program
- Participate in an international cooking competition endorsed by the World Association of Chefs Societies
- An important component of the curriculum – and critical to future professional opportunities



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ERM: Getting to "Yes"



The Americas
 Region 1
 Includes: North America, South America, Central America, Caribbean

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Getting to "Yes"

- After full consideration of all risks, the community college *supported* the trip
- Six students & one faculty member participated
- Threats were addressed through training, planning, info on cultural context, travel abroad insurance
- Result: Awarded silver medal!



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Session Objectives

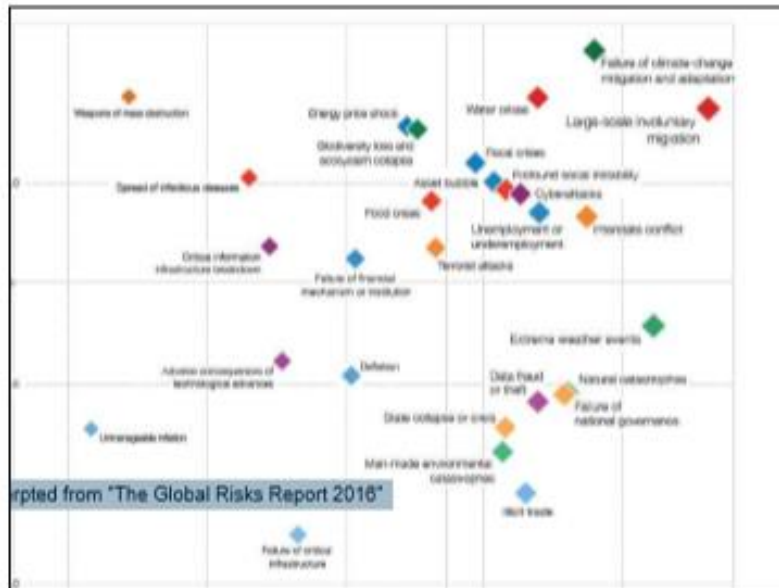
- Introduce Enterprise Risk Management (ERM)
 - To build shared understanding and support
- Begin to Identify Key Risks
 - Linked to the school's mission, student learning, and your key objectives
- Review next steps
 - Demo of a risk workshop
 - Next steps for ERM implementation

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The Pingry School's Introduction to ERM and Risk Identification Presentation (cont.)



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Defining ERM

Enterprise Risk Management describes a broader approach to managing risk.

It is a coordinated effort to direct and control all activities related to risk.

It defines risk as the **effect of uncertainty on objectives**. It therefore ties the management of risk to what is most important to the organization.

The **responsibility for managing risk** is spread across the organization to those who have accountability and authority – **risk owners**.

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ERM – Key Concepts

ERM answers the question: *Are we paying attention to the right stuff?*

- Identifies and manages a broad range of risks – beyond insurable risks – and beyond *threats*
- Links risks to *purpose*, mission, objectives
- Supports appropriate risk taking
- Incorporates stakeholders, ownership and accountability
- Facilitates continuous improvement

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Why ERM?
As Defined by Pingry

- Give us a shared language to describe and manage risk
- Generate better decisions that are consistent with our mission and inclusive of stakeholders
- Support our school as a leading, best-in-class institution
- Support appropriate risk taking – and help us take risks to build success

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Why ERM?
As Defined by Pingry

- Provide another level of assurance that we are providing for the safety and security of our school, our students and stakeholders
- Increase awareness of risk management across the institution and make sure that everyone recognizes their role in managing risk
- Through the good stewardship of resources, ensure a bright and strong future

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Pingry's ERM Implementation Working Group

Responsible for:

- Implementing ERM
- Drafting policies
- Developing tools, resources and training

Oversees the:

- Assessment of risk across operations
- Tracking and reporting on key risks
- Identification of emerging and overlapping risks

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ERM Implementation Working Group

Meets Quarterly; Reports to the Admin Team

- David Fahey, Asst. Director of Operations & Strategic Initiatives
- Jeff Jewett, Director of Global Education
- Cindy McArthur, Director of Auxiliary Programs
- Dale Seabury, Director of Strategic Communications
- Olaf Weckesser, CFO & Director of Operations
- David Szelingowski, Short Hills Science Teacher
- Christine Taylor, English Teacher & Department Chair
- Michael Waelz, Director of Facilities
- Barry Fulton, Grade 6 English Teacher, MS Dean of Students
- Erin Rose, Asst. Director of Athletics
- Kate Whitman Annis, Assoc. Director of Advancement

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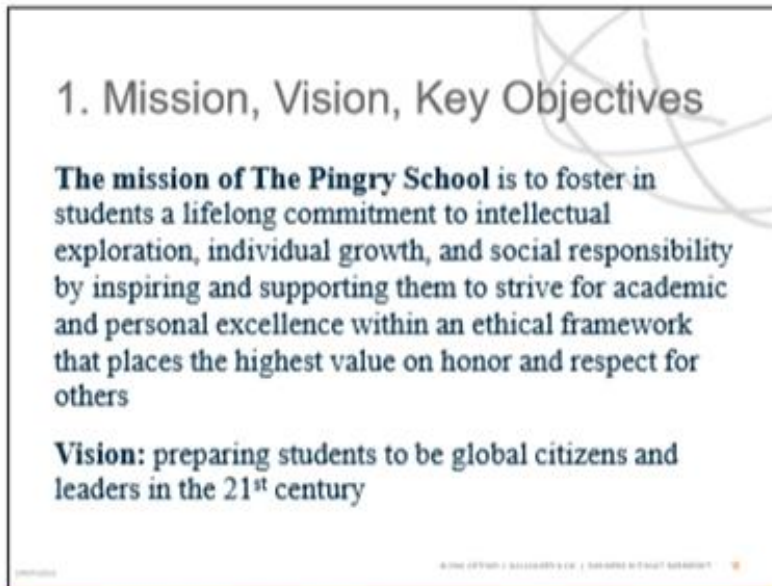


Discussion of Key Risks
Small Group Discussion & Online Submission

- Small groups of 5-6 people – self selected by employees with similar job functions
- 10 minutes to:
 1. List key objectives
 2. Brainstorm list of key risks
 3. Select one risk to describe in detail
- Submit online risk form

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1. Mission, Vision, Key Objectives

The mission of The Pingry School is to foster in students a lifelong commitment to intellectual exploration, individual growth, and social responsibility by inspiring and supporting them to strive for academic and personal excellence within an ethical framework that places the highest value on honor and respect for others

Vision: preparing students to be global citizens and leaders in the 21st century

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1. Key Objectives – Examples

LS & MS Science:

- Engage students to learn about how the world works
- Develop passionate science learners

Information Technology:

- Maximize use of technology
- Preserve integrity of data
- Minimize vulnerability to security threats
- Maximize ability to recover



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2. Brainstorm Risks

Think broadly, consider environmental uncertainties:

Risk = the effect of uncertainty on your objectives

- What *threatens* our ability to achieve those objectives?
- Are there risks we could consciously *take* that would support our objectives?

You can list as many as you like (in the online form)



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2. Brainstorm Risks – Examples

Think About Key Objectives First – E.g., *Develop passionate science learners*

| | |
|--|---|
| <p>What <i>threatens</i> our ability to achieve our objectives?</p> <ul style="list-style-type: none">• Not following procedures or protocols• Lack of role models for girls and students of color• Outdated curriculum• Overcrowded classrooms | <p>Are there risks we could <i>take</i> that would support our objectives?</p> <ul style="list-style-type: none">• Form partnerships with science museums and botanical gardens to develop out-of-school learning opportunities |
|--|---|

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3. Select One Risk

Using the online form:
pingry.org/reportarisk

This information will help us identify key risks

- Describe the risk
- What could cause the risk to occur?
- If the risk *did* occur, what would the consequences be?

Select one risk from your brainstormed list. Pick one that you are most concerned about.

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The Pingry School's Introduction to ERM and Risk Identification Presentation (cont.)

Online Risk Form

What is your group or job function and who is in your small group?

What are the key objectives for your group or job function?

Brainstorm list of key risks:

Select one risk to describe in more detail:

What could cause the risk to occur?

If the risk occurred, what are the potential consequences?

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Example www.pingry.org/reportarisk

What is your group or job function and who is in your small group?
Athletics – Coaches: John, Scott, Joshua, Julia

What are the key objectives for your group or job function?
Build physical and emotional strength; teach teamwork and competitiveness

Brainstorm list of key risks:
Injuries, misbehavior, concussions, hazing, abuse, damage to facilities

Select one risk to describe in more detail:
Risk of a student suffering a serious concussion

What could cause the risk to occur?
Not wearing appropriate protective gear, horseplay, unsafe conditions

If the risk occurred, what are the potential consequences?
Head, brain or back injury; potential litigation; damage to sports programs; \$\$\$

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Risk Workshop "Demo"

What is your group or job function and who is in your small group?
ERM Implementation Working Group – thinking about the future

What are the key objectives for your group or job function?
Preparing students to be global citizens and leaders; being the best school

Description of risk:
Losing our "best in class" status by failing to innovate in online/blended learning

What could cause the risk to occur?
Lack of training; complacency; no NEED to change immediately; fear of change, failure or lack of acceptance; if we don't know how to keep up; start-up costs; lack of understanding of the benefits

If the risk occurred, what are the potential consequences?
Enrollment demands could decrease if we don't keep up; this could affect our reputation; could result in not effectively teaching our students; not expanding our reach; at some point – we're no longer the best school

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Analyze & Evaluate the Risk

- Who should be engaged in this discussion?
- What aspects of your operations and culture affect this discussion? For example:
 - As an institution, we are "risk averse"
 - We are slow to implement change
 - Could this affect donor support or the value of our tuition?
- What are you currently doing to address online/blended learning?

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The Pingry School's Introduction to ERM and Risk Identification Presentation (cont.)

Given our current activities (treatments), how likely is it that we would lose our "best in class" status by failing to innovate in online/blended learning ?

Likelihood Ranking

| | How Likely? | % of Time | How Often? | Frequency |
|----------|---------------------------|-------------|------------------------|-------------------|
| 5 | Certain or almost certain | 75% or more | Expected to occur | Daily, weekly |
| 4 | Likely | 50-75% | Will likely occur | Monthly |
| 3 | Possible | 25-50% | Fairly likely to occur | Once a year |
| 2 | Unlikely | 4-25% | Could occur | Once in a decade |
| 1 | Rare | 0-5% | Would rarely occur | 10+ years or more |

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How serious are the consequences if we lose our "best in class" status by failing to innovate in online/blended learning ?

Consequence Ranking

| | Disruption to the School, Budget or Processes | Effect Upon Reputation | Legal Consequences | Effect Upon People |
|----------|---|---|---|-------------------------------------|
| 5 | School cannot function, very high \$\$\$ impact | National negative publicity, resignations | Multiple civil & criminal lawsuits, claims or fines | Fatality of 1+ and serious injuries |
| 4 | Serious disruption to school, high \$\$\$ | National public or press interest | Single litigation, claim or fine | Serious injuries to 1+ people |
| 3 | Some disruption of school, medium \$\$ impact | Local public or press interest | Possible litigation, claim or fine | Major injuries to 1+ people |
| 2 | Minor disruption, minor \$\$ impact | Contained within a dept or division but known by school | Unlikely to result in litigation or claim or fine | Minor injuries to 1+ people |
| 1 | Annoyance, small or minor \$\$ impact | Contained within a dept or division | No litigation, claim or fine | Minor injury to individual |

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Next Steps – This Process

Finish gathering information about key risks:

- Risk workshops:
 - Weds. March 29, 7-8 am at Basking Ridge Campus
 - Weds. March 29, 11:30 am -12:30 pm at Short Hills
 - Weds. April 5, 7-8 am at Basking Ridge
 - Weds. April 5, 11:30 am -12:30 pm at Basking Ridge

Sessions will include:

- Breakfast or lunch!
- Review of key risks
- Discussion of treatments, ranking and prioritization

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Next Steps – ERM Project

- Reporting on key risks – ERM Implementation Working Group, Admin Team, internal stakeholders, the Board of Trustees
- Develop tools and forms – to report risks, to apply this process to decision making
- Education and training – e.g., incorporation into new employee orientation, training for student groups
- Continual improvement – at least annually, reviewing progress and outcomes

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The Pingry School's Introduction to ERM and Risk Identification Presentation (cont.)

The Benefits of ERM

- Increase likelihood of achieving objectives
- Encourage proactive management
- Be aware of the need to identify and treat risk throughout the organization
- Improve the identification of opportunities & threats
- Effectively allocate and use resources
- Comply with relevant legal and regulatory requirements and international norms
- Improve mandatory and voluntary reporting
- Improve operational effectiveness & efficiency
- Improve stakeholder confidence and trust
- Establish a reliable basis for decision making & planning
- Improve controls
- Improve governance

ISO/ANSI/ASSE 31000:2009
Risk management – Principles and Guidelines



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Thank you!

Dorothy Gjerdrum
February 17, 2017

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