



## Enterprise Risk Management Advisory Committee Charter

### Statement of Purpose

This charter establishes the Enterprise Risk Management Advisory Committee (ERMAC) process and structure for Florida Agricultural and Mechanical University (FAMU). The ERMAC is responsible for providing oversight, guidance, and coordination of university-wide efforts to implement the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Framework (ERM) aimed at identifying, assessing, managing and mitigating risks that may adversely impact the University's strategic and performance goals. In fulfilling its oversight responsibility, the ERMAC will assist FAMU senior administrators, who have a primary or shared responsibility in managing risks within their assigned areas, with establishing and monitoring risk mitigation strategies and ensuring sufficient organizational support. The ERMAC will provide the President, Senior Leadership Team, and the Board of Trustee's (BOT) Audit and Compliance Committee with meaningful, actionable, and timely strategic and performance risk intelligence.

### Powers and Duties

- The Associate Vice President for Audit and Chief Risk Officer will serve as Chair.
- The Committee has no executive powers (i.e., the authority to administer or manage university operations). Rather, it will function in an advisory role to the University President, the Senior Leadership Team, and the BOT. However, the Committee does have the authority to solicit advice and assistance from others, when necessary, to perform its duties and responsibilities.

### Guiding Principles

In performing its advisory responsibilities, the ERMAC is guided by the following operating principles:

- **Risk Framework:** Maintain a risk framework to effectively identify, assess, manage, mitigate, and report on academic, financial, compliance, health and safety, personnel, technology, and strategic risk areas to provide senior leadership and the BOT's Audit and Compliance Committee with key information to make risk-informed decisions.
- **Risk-aware Culture:** Instill university-wide awareness among those engaged to act on FAMU's behalf that the recognition, consideration, and management of risks is an ongoing responsibility and a collaborative effort.
- **Risk Management:** Provide a more consistent and comprehensive approach to managing risks across the entire institution. Management of risks includes



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consideration of the following risk treatment options: avoidance, sharing, reduction (mitigation), or acceptance.

- **Risk Monitoring:** Monitor external and internal forces and factors that influence the university's risk enterprise landscape.
- **Risk Ownership:** Ensure that key risks identified are assigned to responsible risk owners and managers.
- **Evaluate Risk Response Plans:** Identify the most significant enterprise risks in terms of their perceived impact and likelihood and assess whether existing risk response actions are effective in managing the risks.
- **Support Risk Owners:** Calibrate and prioritize the university's most urgent risks in need of additional risk response and support initiatives by risk owners to effectively address them; periodically request status updates including steps risk owners have taken to treat the risks.
- **Acceptance of Risks:** Recognize that risks must be balanced against risk control costs and operating effectiveness; it is appropriate to accept risk in a measured way that supports the need to fulfill the University's mission. Therefore, it may be appropriate for some level of risk to be tolerated and accepted and not necessarily completely eliminated.
- **Evaluate Risk Framework:** Review, from time to time, the institutional risk management framework and strategies to assure they remain current with regulatory, operating, and legal changes as well as enterprise risk management best practices.

### Meetings

The ERMAC will meet at least four (4) times each year, or as needed, at a date, time and place designated by the Chair. At the discretion of the Chair, meetings may be held virtually. ERMAC business may be transacted using email communication to arrive at a consensus on an issue requiring attention and resolution between meetings. The Chair may invite non-committee members to attend meetings as needed. The ERMAC may conduct closed sessions when it meets to consider or discuss certain topics and will seek guidance from the University's General Counsel in doing so. Summaries of ERMAC proceedings shall be recorded and maintained by the ERMAC Chair.

### Committee Composition

The ERMAC is a university-wide standing committee whose individuals are appointed because of their leadership roles within the university and their informed insights concerning the identification and control of risks both within and across their areas of responsibilities.



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The Committee will consist of Appointees from the:

- University strategic planning committee;
- Management charged with oversight of Performance Based Funding metric outcomes;
- Faculty Senate;
- Student Government Association;
- University Budget Office; and
- Strategic Planning, Analysis, and Institutional Effectiveness.

The following positions, or their designee, will serve as ex-officio members with non-voting rights:

- Vice President for Audit;
- Chief Compliance and Ethics Officer;
- General Council;
- Provost and Vice President for Academic Affairs; and
- Vice President of Student Affairs.

*Didre Melton*

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 AVP for Audit & Chief Risk Officer

3/1/2022

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 Date

*Joseph Maleszewski*

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 VP of Audit (Chief Audit Executive)

3/1/2022

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 Date

*Larry Robinson*

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 President

3/1/2022

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 Date