



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Wednesday, November 10, 2021

9:00 a.m.

Microsoft Teams

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AGENDA

- 1. Call to Order **Joe Leonard, Chairperson**
- 2. Roll Call **Linda Manley, Board Secretary**
- 3. **Management’s Recommendation to** **Wayne Griffith, Chief**
Expand the Audit Committee’s title/name..... Strategy & Performance Officer
and responsibility area
- 4. Executive Session * **Joe Leonard, Chairperson**
- 5. Adjournment **Joe Leonard, Chairperson**

* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Strategy & Performance

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Wayne Griffith, EVP Strategy & Performance

Management Recommendation to the Governance Committee

1. Expand the Audit Committee's title/name and responsibility area to the proposed "Audit & Risk Committee" which also expands current responsibility to include Enterprise Risk Management board oversight.

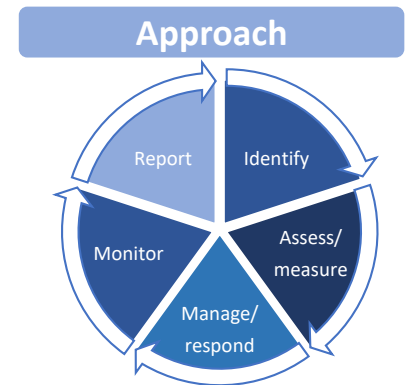
Background

Problem

Historically, the organization has functioned as **siload and independent** business units. One of the several independently managed functions included the function of risk management. As an independently managed function, the management of risk was accomplished in a variety of ways which lacked a **common understanding, effective collaboration, and efficient coordination** across the enterprise.

Solution

The Authority has determined that Enterprise Risk Management (ERM) will become a function within the Enterprise. ERM differs from traditional approaches to risk oversight that focuses on managing silos or distinct areas of risk. The **ERM** business process manages risk at an **entity level** to **effectively** support the **Authority's capacity** to **identify, evaluate, and mitigate emerging or identified areas of risk** internal or external to the Authority.



Benefits

- Strategic performance focused
- Consistent risk management approach across the enterprise
- Holistic view of key risks
- Considers risk interactions
- Business decisions based on a clear understanding of risks
- Driven by the Board and owned by the business
- Supported by a "risk culture"

Value to the Enterprise

ERM's scope is **far broader** and more **strategic**, operating across the enterprise in order to produce **improved decision making** and **performance** of the organization as it endeavors to meet its mission and achieve its strategies and business objectives.

Implementation Status

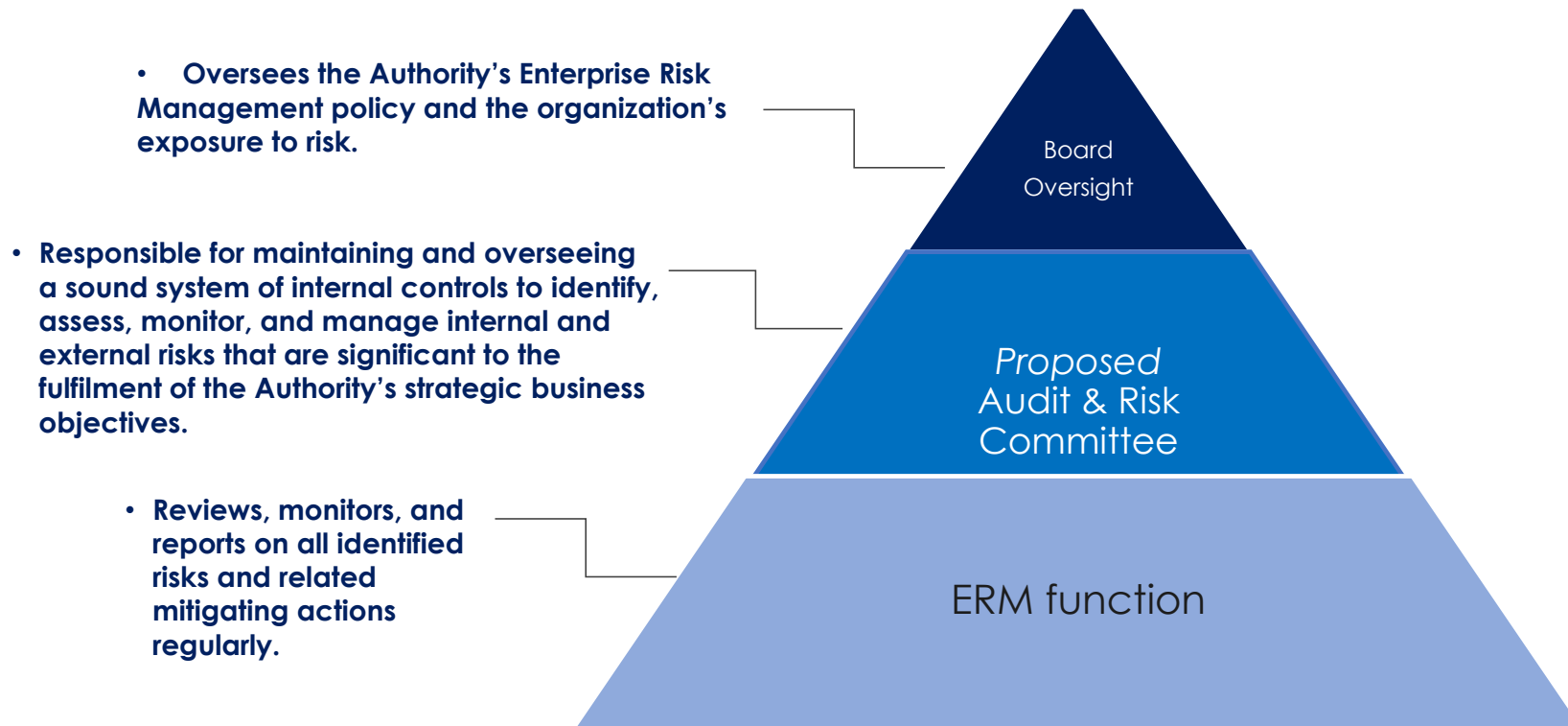
Key Milestones



DC Water ERM
Policy

- Developed DC Water Enterprise Risk Management policy
- ERM framework development is underway
- Conduct an Enterprise-wide Annual Risk Assessment
- Develop and maintain DC Water Enterprise Risk Register
- Develop and maintain DC Water Enterprise Risk Management Action Plans

Proposed DC Water Governance Structure



Action Item:

- **§ 5.01 (a)(vi) shall be amended to read:**

(vi) Audit & Risk Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the independent appraisal of internal controls, operations and procedures utilized by the Authority in its financial and other operations, shall make recommendations to the Board regarding the selection of the Authority's independent outside auditors, and shall meet as appropriate with such auditors with or without the presence of the Authority's management. **The Committee shall also make recommendations to the Board regarding the maintenance and oversight of a sound system of internal controls to identify, assess, monitor, and manage internal and external risks that are significant to the fulfilment of the Authority's strategic business objectives.**

Next Step: Recommendation

Recommend to the Board of Directors amendments to the Board's By-Laws as provided in the Action Item.