ERM is a process by which the major risks facing an organization’s strategic goals are identified and evaluated.
There are eight key components to ERM that work in a continuous cycle:

- Internal Environment
- Objective Setting
- Event Identification
- Risk Assessment
- Risk Response
- Control Activities
- Information & Communication
- Monitoring
<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Internal Environment</td>
<td>Support from the Top</td>
</tr>
<tr>
<td>Objective Setting</td>
<td>Strategic Plans &amp; Vision 2030</td>
</tr>
<tr>
<td>Event (Risk) Identification</td>
<td>Institutional senior leaders identify top risks to assess</td>
</tr>
<tr>
<td>Risk Assessment</td>
<td>Institutional stakeholders complete Qualtrics risk assessment survey</td>
</tr>
<tr>
<td>Risk Response (step 1)</td>
<td>NDUS Audit Services compiled and distributed risk assessment scores</td>
</tr>
<tr>
<td>Risk Response (step 2)</td>
<td>Institutions to assign risk response to identified and scored risks</td>
</tr>
<tr>
<td>Control Activities</td>
<td>Institutions document existing/recommended control activities</td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td>ERM Coordinator communicates regarding risks and progress</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Institutional monitoring of risks and control activities</td>
</tr>
<tr>
<td></td>
<td>ERM cycle begins again as institutions identify top risks currently facing the institution</td>
</tr>
</tbody>
</table>
Each campus as well as the system office/CTS were asked to complete the NDUS ERM Risk Register & Data Sheet which required three categories of information:

- **Institutional Senior Leaders** – this was a small group of senior leaders with an entity-wide view who identified the top risks to the institution. For each institution, the President was part of this group.

- **Additional Institutional Stakeholders** – senior leaders identified additional institutional staff who have a strategic or high level operational viewpoint to assess the identified risks.

- **Identified Fraud or Control Risks** – these are the specific risks that the senior leaders identified (typically 10-15) that were assessed via survey by the senior leaders and the additional stakeholders.
RISK IDENTIFICATION DATA – UPDATE
(CONT’D)

171 SPECIFIC RISKS WERE IDENTIFIED BY THE INSTITUTIONS, AND THE SYSTEM OFFICE/CTS. RISKS WERE IDENTIFIED IN A WIDE VARIETY OF GENERAL AREAS, INCLUDING:

- IT
- Campus Safety & Security
- Enrollment
- Funding
- Emergency Management
- Contingency Plans
- Athletics
- Facilities
- Economic Conditions
- Reputational
- Title IX
- Workplace Safety/Hazardous Materials
- Restricted and Private Data
- Student Safety
- Auxiliary Services
- Training
- Record Retention
- Grants/Contracts Accounting/Compliance
- Staffing & Succession Planning
- Research Facilities & Equipment
- High School Graduation Rates
- Cash Management
- Strategic Planning
The institution specific risks which were identified on the NDUS ERM Risk Register & Data Sheet were used to create an institution specific anonymous survey which was sent to the senior leaders and additional stakeholders for the purpose of “scoring”. 92 individuals participated in the risk assessment.

Risks were to be scored on a 1 (low) to 4 (high) scale for both likelihood and impact. The product of the likelihood and the impact score is the resulting Risk Assessment Score. The scores were classified as LOW, MEDIUM or HIGH. This scoring returned the following results:

- 59 of 171 (35%) had a HIGH Risk Assessment Score
- 105 of 171 (61%) had a MEDIUM Risk Assessment Score
- 7 of 171 (4%) had a LOW Risk Assessment Score
EXPECTED REPORTING

By 7/31/17  
**Risk Response (step 2)** – Via the NDUS ERM Risk Register & Data Sheet

By 10/31/17  
**Control Activities** – Via the NDUS ERM Risk Register & Data Sheet

By 12/31/17  
**Information & Communication** – Via an Informal Institutional Update

Jan.-Mar. 2018  
**Monitoring** – Via an Institution Specific ERM Summary Report, which can be utilized in the 18-19 ERM Cycle which begins again in April 2018
The below improvements are being considered for the 18-19 cycle:

- Identified Risks to include general category.
- Additional Stakeholders will only score categories of expertise.
CONCLUSION

ERM is done right when leaders at every level use the information to make decisions.
The ERM evaluation and assessment process is owned by the management and stakeholders of each individual institution. NDUS Audit Services assists as needed with clarification or guidance.

Thank you for your time!