ERM at George Mason

• BOV interested in risks beyond financial risks

• Controller’s office and Internal Audit collaborated to survey approx. 80 unit heads

• Responses reviewed, consolidated, reviewed again, 32 items presented to BOV
External Resources Needed

- Issued RFP to design a sustainable ERM program; 14 responses, Huron selected
- Extensive data requests:
  Org charts, audit reports, draft audit findings, budgets, IA&MS work plans, list of affiliates, strategic and/or business plans for IT, research, student, finance, President’s initiatives, ERM work to date
Huron Phase I

- Evaluated data, met with 25 unit heads
- Identified common risks at other institutions
- Assigned one or more of 6 framework categories (compliance, operational, etc.)
- Assigned functional area: facilities, safety, IT, academic, research, fiscal, HR, etc.
- Deliverable: modified risk inventory
Assigning Risk Factors

Evaluated each risk using five factors:
1. External environment – e.g., federal regs
2. Reputational risk – level of public visibility
3. Financial exposure – e.g., budget, penalties
4. Vulnerability – likelihood of occurrence
5. Internal controls risk assessment
Ranking Our Risks

• Used the collective high, medium, low scores for each factor to assign a relative impact score to each
• 40 risks prioritized as highest, high, medium
• 11 highest priority include fraud, research compliance, succession planning, data security, unsupported growth, emergency plng
• Phase I deliverable – modified risk inventory
ERM Implementation Plan

- Huron phase 2 deliverables:
- Recommended organizational structure
- Reviewed policies, provided gap analysis
- Provided executive level reporting format (heat map)
- Provided risk mitigation strategy guidance
Interim Efforts

- Applying the committee-based organizational model
- Functional managers appointed to committee
- Will develop mitigation strategies for highest priority risks
- Will update risk inventory, determine factors for assessing relative degrees of risk