Northern Illinois University
Enterprise Risk Management
Annual Review Cycle

CARL Committee
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Administration & Finance
Risk Management Process:

- International Organization for Standardization (ISO) provides standards (e.g. terms, frameworks, processes, etc.)

- Systematically applies management policies, procedures, and practices to a set of activities to establish the context to communicate and consult with stakeholders.
ERM Annual Review Cycle

- **Risk Analysis**
  - Integrate new risks into Risk Register

- **Risk Evaluation**
  - Review risk priorities

- **Risk Mitigation Plan Development**
  - Risk Owners

- **Mitigation Resourcing**
  - FY budget development

- **Mitigation Plan Implementation**
  - As resources allow

- **Risk Identification**
  - Annual review and update of Risk Register

- **ERM Core Team Assistance/Maintenance**

**ISO Framework**

- Yellow: Risk Assessment
- Blue: Risk Treatment

Begin New Review Cycle

- **Nov**
- **Dec**
- **Jan**
- **Mar**
- **July**
- **Oct**
Risk Identification
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- Begins the annual review cycle (start Oct 1)
- Update risk register with new and emerging risks identified following the previous cycle
- **Risk Owners:**
  - Review previous list of risks for their unit/area
  - Add newly identified risks via Risk Status Update Form
  - Remove resolved/managed risks, or
  - Modify risk significance based on mitigations via Risk Status Update Form
  - Submit status update forms to the Core ERM Team by October 31

Risk Analysis
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- Core ERM Team, utilizing data from Risk Owners, integrates new and emerging risks into the risk register
- Using a scoring rubric, pertinent data regarding each risk (i.e. changes or new developments) are utilized to rank risks within the register
- Draft ranking prepared by November 30

Risk Evaluation
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- Full ERM Team and Resource, Space & Budget Committee reviews the Risk Rankings
- Risk Owners provide tolerance level for new and emerging risks at the unit level and identify which risks intersect
- Risk Evaluation completed by December 31
Risk Mitigation Plan Development
– Risk owners develop risk mitigation plans for new and emerging risks and update previous plans
– Risk owners identify resource needs for mitigation plans
– All information submitted by Jan. 31

Mitigation Resourcing
– Merges with budget development process (March)
  • Needs addressed within current budget capacity, or
  • Submitted as unfunded requirement (UFR)

Mitigation Plan Implementation
– New fiscal year (July)
Enterprise Risk Management Annual Report

– An annual report will be produced by the Core ERM team using data from Risk Owners

– The annual report will include:
  • Relevant background information
  • Top institutional risks
  • Top new and emerging risks (as applicable)
  • Highlights of mitigation efforts for previous top risks
  • Top identified opportunities and challenges
  • Appendices of relevant risk related material for top institutional risks

– The report will be distributed by September 1
## Annual Review Cycle Activities Timeline

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<tr>
<th>Activities</th>
<th>Task</th>
<th>Responsibility</th>
<th>Due Date</th>
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<tr>
<td><strong>Risk Assessment</strong></td>
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<tr>
<td>Risk Identification</td>
<td>Submit Risk Status Update Forms</td>
<td>Risk Owners</td>
<td>October 31</td>
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<tr>
<td>Risk Analysis</td>
<td>Integrate new risks &amp; changes into Risk Register</td>
<td>Core ERM Team</td>
<td>November 30</td>
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<tr>
<td>Risk Evaluation</td>
<td>Review risk priorities and establish risk tolerance</td>
<td>Risk Owners &amp; Full ERM Team</td>
<td>December 31</td>
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<td><strong>Risk Treatment</strong></td>
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<tr>
<td>Risk Mitigation Plan Development</td>
<td>Submit New plans and changes to old plans</td>
<td>Risk Owners</td>
<td>January 31</td>
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<tr>
<td>Mitigation Resourcing</td>
<td>Link mitigation planning with budget development</td>
<td>Risk Owners</td>
<td>March</td>
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<tr>
<td>Mitigation Plan Implementation</td>
<td>Implement and monitor</td>
<td>Risk Owners</td>
<td>Start July</td>
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<tr>
<td><strong>ERM Annual Report</strong></td>
<td>Write and distribute annual report</td>
<td>Core ERM Team</td>
<td>September 1</td>
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