



Northern Illinois University

Enterprise Risk Management Annual Review Cycle

**CARL Committee
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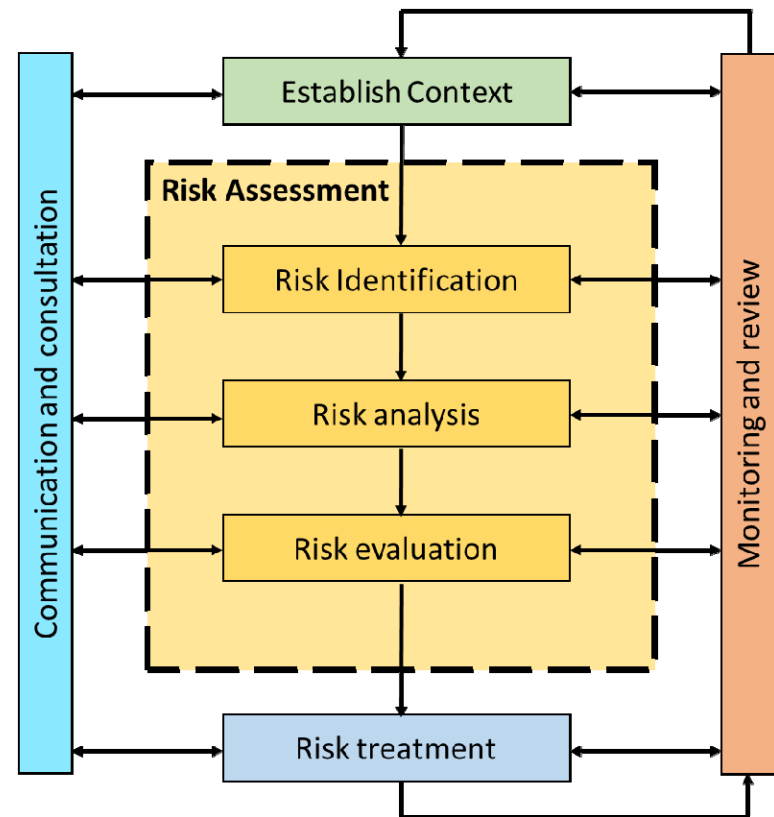
ISO ERM Process Framework



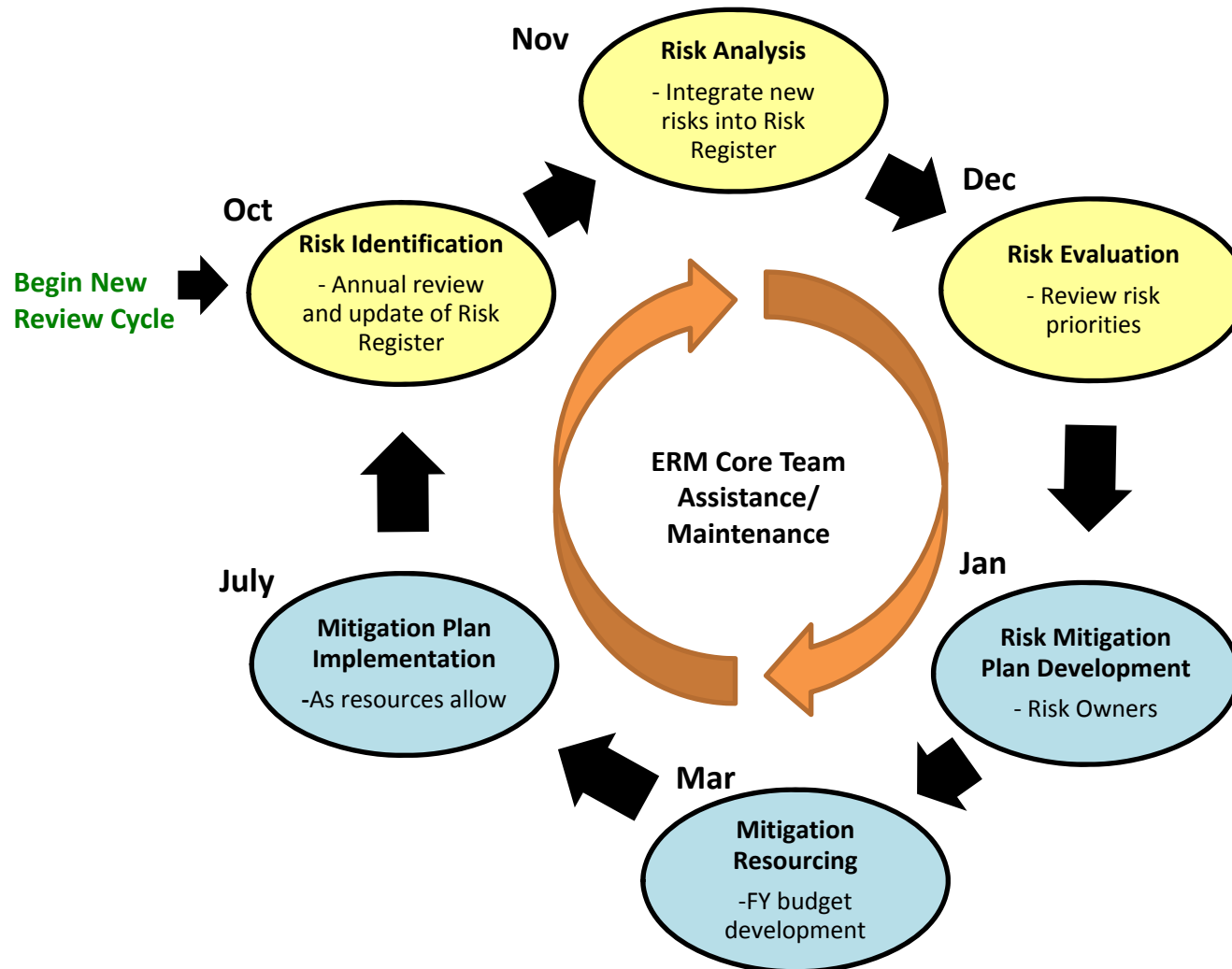
Risk Management Process:

- 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.

ISO ERM Framework



ERM Annual Review Cycle



ISO Framework

Risk Assessment

Risk Treatment

Risk Assessment



Risk Identification

- 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

- 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

- 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 Treatment



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)



ERM Annual Report



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



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

