

Enterprise Risk Assessment Process

In fall 2016, Montgomery College conducted an Enterprise Risk Assessment with Baker Tilly, a higher education internal audit firm. The Enterprise Risk Assessment is conducted to identify strengths, weaknesses, and risks inherent to higher education, particularly related to finance, operations, and information technology.

Fundamentally, Enterprise Risk Assessments are part of routine activities to systematically measure risks by considering their likelihood and consequence to an organization. The Enterprise Risk Assessment will identify current challenges and enable us to address future problems before they arise. The assessment process was a collaborative approach that encouraged management input, participation, and ownership of the outcomes. It included meeting with a cross-section of Montgomery College stakeholders and representatives to discuss risks that impact their areas of responsibility, resulting in a summarized list of risks.

The enterprise risk assessment report was presented to the President's Executive Cabinet in December 2016 to validate the results and set priorities to determine the foundation of the multiple-year audit plan. The College is now working with the audit plan formed as a result of the enterprise risk assessment.

Enterprise Risk Assessments Meeting Questions:

Please consider the following questions in advance of your scheduled meeting time:

1. Please describe your primary role and the scope of your responsibilities.
2. How long have you been with Montgomery College (MC)?
 - a. What has changed the most since you joined MC?
 - b. What do you anticipate changing the most in the next one to three years?
3. Please describe:
 - a. Your department's structure and what positions report to you
 - b. Key financial activities that you and others on your team perform
 - c. Key technology systems that you and your team use
4. What are the strategic goals for your department within the near term?
 - a. What do the College and/or your department need to do well over the next year in order to succeed and reach these goals?
 - b. What could prevent you from achieving these strategic goals (e.g., regulatory items, resources, processes)?
5. What do you see as the College's main strengths and areas of success?

6. What challenges have you experienced in your role, department, and/or MC overall?

7. What are some things that concern you most at the College from a risk perspective?
 - a. Describe, in order, the top five risks a) to the College and/or b) to your department, and discuss why they are of concern to you.

8. How does the College and/or your department distinguish between risks and opportunities?
 - a. What are some key opportunities applicable to your department and/or the College?

9. What is the overall risk appetite (i.e., the tolerance level for risk) of the College and/or your department?
 - a. How are risks monitored and reported?
 - b. What risk(s) is the College and/or your department not willing to accept?

10. As it relates to the risk appetite just described, what specific risk tolerances are critical for us to understand as they relate to the functions you oversee?

11. How do the College and/or your department ensure overall compliance with local laws, regulations, and practices?
 - a. Please describe the frequency and scope of monitoring and oversight activities within the College and/or your department.

12. What mechanisms exist to identify and react to changes that have a dramatic and pervasive effect on the organization, and may demand the attention of senior management (e.g., new or redesigned information systems, new personnel, changes in operating environment)?

13. Understanding that the College will need to prioritize its efforts, what are the top three risks that need to be addressed first?

This framework provides a strategic and structured view of risks in an organization, as well as the interdependencies between risks at multiple levels. It helps to promote a thorough approach to the consideration of risk and serves as a valuable tool when facilitating discussions of risks throughout an organization.

Environment		
Competition Market Demands Economy	Reputation Political Legal	Regulatory Industry Emerging Technologies
Strategy		
Business Model Planning and Budgeting Brand Trademarks and Copyrights Mergers and Acquisitions	Strategic Change Public Relations and Image Government Relations Shareholder Relations Compliance Management	Investments Financial Liquidity Credit Strategic Relationships and Partnerships
Organization		
Governance Values Ethics and Code of Conduct Organizational Structure Leadership Succession Planning	Empowerment Authority Change Readiness Resource Allocation Skills and Training	Incentives Communication Performance Management Compliance Monitoring Safety and Occupational Hazards Attrition
Processes and Operations		
Quality Efficiency Performance Sourcing Continuity Cycle Time	Process Alignment Accounting Payroll Human Resources Information Systems Change Management	Contracts Procurement Fraud Forecasting Vendor Management New Business Development
Information		
Data Integrity Access Availability Relevance	Financial Information Financial Reporting Regulatory Reporting Intellectual Property	Knowledge Management Retention Privacy Estimates
Infrastructure		
Capacity Reliability	Utilities Maintenance	Facilities Availability