PROJECT SUMMARY

The enterprise risk management (ERM) program at West Texas A&M University provides reasonable assurance that significant events that could adversely affect the accomplishment of key goals are identified, appropriately evaluated and assigned appropriate mitigation and monitoring strategies in accordance with the University’s risk appetite. While the ERM program is new and evolving, it offers an organization-wide process which is linked to the University’s Strategic Plan. With more extensive, results-focused, data analysis monitoring activities, including periodic accountability reports to senior management, the current ERM process offers increased accountability for goal accomplishment.

With the involvement of executive management and representatives of faculty, staff and students from all disciplines, the University’s risk identification process is fairly comprehensive. Risk identification occurs at both the macro and micro levels ensuring comprehensive coverage of all significant aspects of the University’s business, including student enrollment, legislative funding, institutional reputation, faculty and staff recruitment, campus safety and security, adequacy of facilities, student activities, regulatory compliance, and information security. The University’s involvement of the executive team, department heads and their staff and students in developing risk inventories ensures consideration of both strategic and operational perspectives while providing employees with some ownership of the process. This is critical in instilling the “everyone is a risk manager” concept. The University’s risk evaluation process appropriately considers both the likelihood and the impact of the risk occurring.

University management has designed mitigation strategies and control activities appropriate to satisfy its moderate to low risk tolerance. Control activities include portable computing data encryption, employee cross-training, ethics training, information security awareness training, disaster recovery, policies and procedures, segregation of duties, employee screening, and increased marketing and branding.

The University’s ERM process includes monitoring for unexpected conditions and changes in conditions at various levels of the organization through the use of activity and performance
reporting, and periodic operational reviews of control activity effectiveness in the fiscal, operational and information technology areas. The University has developed an extensive list of accountability measures for each division or area, with performance on these measures reported to management. The frequency of monitoring varies from daily (for network monitoring, backup, and campus crime), weekly (for student applications and registration counts), monthly (for financial reports and reconciliations) and annually (for reports on satisfaction surveys and divisional annual reports).

BASIS OF REVIEW

Objective and Scope

The overall objective was to review the West Texas A&M University’s enterprise risk management processes and determine if the key elements of the process are designed to identify and mitigate risks through the use of a systematic, organization-wide approach. The review focused on the elements of risk identification, assessment and evaluation, response, and control and monitoring activities performed for the period September 2006 to March 2008. Fieldwork was conducted from April to May 2008.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of The Texas A&M University System and other sound administrative practices. This audit was performed in compliance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

West Texas A&M University serves as “the principal academic and cultural center of a multi-state region and is a significant catalyst for economic development by expanding the frontiers of
knowledge through education, research, and consultation. Its faculty and staff prepare students for leadership roles both in their chosen careers and as citizens of the nation and the world.” The University seeks to be a first choice institution – first choice for students, for faculty and staff, and for employers and graduate schools.
AUDIT TEAM INFORMATION

Auditors Assigned to the Review

Amanda Jenami, CPA, Project Manager
Lori Ellison

Contact Information

For questions regarding this review, contact Dick Dinan, Director.

E-Mail: D-Dinan@tamu.edu
Phone: (979) 458-7144
Fax: (979) 458-7111
Web Site: http://www.tamus.edu/offices/iaudit/

The Texas A&M University System
System Internal Audit Department
1200 TAMU
College Station, TX  77843-1200

200 Technology Way, Suite 2192
College Station, TX 77845-3424

DISTRIBUTION LIST

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