PROJECT SUMMARY

The Texas Engineering Extension Service has designed and implemented a comprehensive, organization-wide enterprise risk management (ERM) process. It incorporates the elements of an effective risk management program as defined by the Committee of Sponsoring Organizations of the Treadway Commission and facilitates agency-wide communication of executive management’s commitment to ERM. The Agency’s ERM process allows for the identification of significant events that could adversely affect the accomplishment of key goals and evaluates and assigns appropriate mitigating and monitoring strategies. In addition, senior management is apprised of the risk management activities via several communication channels throughout the year. The ERM process is tied to the Agency’s Strategic Plan and Compact, providing a high degree of assurance that the Agency remains well-positioned to serve its client base in the best possible manner.

The Agency is continuing to develop ERM at the division and administrative unit levels by providing ERM training and assisting in the risk identification and assessment process with each area. The process is moving toward improved and standardized ERM documentation. Management anticipates the unit level ERM processes to be complete by the end of fiscal year 2009.

BASIS OF REVIEW

Objective and Scope

The overall objective was to determine if the key elements of the Agency enterprise risk management processes are designed to identify and mitigate risks through the use of a systematic, organization-wide approach. Our review focused on the components of enterprise risk management as defined by the Committee on Sponsoring Organizations of the Treadway Commission. These components include the institution’s internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring processes. Activities and documentation related to these components were reviewed in correlation to the August 2008 ERM Risk Matrix. Audit fieldwork was conducted during April and May, 2009.
Criteria

Our review was based upon standards as set forth in the Treadway Commission’s Committee of Sponsoring Organization’s Enterprise Risk Management - Integrated Framework and other sound administrative practices. The review was performed in compliance with generally accepted governmental auditing standards and other criteria to conform to the Institute of Internal Auditors’ “International Standards of 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

Texas Engineering Extension Service's mission is to develop a skilled and trained workforce that enhances public safety, security, and economic growth of the state and the nation through training, technical assistance, and emergency response. The Agency is an internationally recognized leader in the delivery of emergency response and workforce training, exercises, technical assistance and technology transfer. The Agency offers a wide range of hands-on, customized training solutions impacting the homeland security and the occupational and economic development of Texas and beyond. Major training programs include fire services, homeland security, public safety and security, public works, safety and health, search and rescue, and economic solutions. Texas Engineering Extension Service is the sponsoring agency for Texas Task Force 1, a part of FEMA’s national urban search and rescue program and Texas’ only type 1 statewide urban search and rescue team. During fiscal year 2008, the Agency provided training and technical assistance to over 209,000 people from the U.S. and its five territories along with 61 foreign countries.
AUDIT TEAM INFORMATION

Auditors Assigned to the Review

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