Comptroller’s Annual CFO Conference: Risk Assessment

November 14, 2013
Introductions

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Managing Director, KPMG Advisory

David Gmelich
Director, KPMG Advisory
Agenda

- Risk Assessment
- Executing an Effective Risk Assessment – Key Success Factors
- Leading Practices in Risk Management and Risk Governance
- Commonwealth Risk Assessments - Observations
Risk Assessment
Risk Assessment Defined

Risk assessments are useful tools to assist in agency management and oversight, utilized to **identify**, **assess**, and **categorize** risks across a given organization.

Potential Benefits include:

- Improved risk information needed to support strategic decision making throughout the organization
- Enhanced understanding of risks and interrelationships to help drive performance, value and brand
- Promotes anticipation of regulatory and/or policy change
- Helps organizations to consistently identify and assess risks
- Assists in the development of a defined risk governance structure with clear roles and responsibilities
- Facilitates clear alignment between strategic objectives and organizational risks

Risk assessments can vary widely in size and scale—focused on one program area or across the breadth of multi-faceted organizations.
Risk Assessment within the COSO Framework

Risk Assessment within the COSO Framework cuts across **Operational**, **Reporting**, and **Compliance** functions at each of the following Levels:

- Entity/Secretariat/Cabinet
- Division/Agency
- Operating Unit
- Function

According to the COSO Framework, Risk Assessment:

- Specifies suitable objectives
- Identifies and analyzes risk
- Assesses fraud risk
- Identifies and analyzes significant change

**Updated COSO Cube – 2013**
## Risk Assessment – Step by Step

### Establish Scope of Risks
- A comprehensive assessment of risks within the context of the entity’s overall strategic goals and objectives:
  - What do we lose sleep over / do we not want to see on the news or in blogs?
  - What factors threaten the achievement of our goals and objectives?
  - What are the expectations of our stakeholders (clients, service providers, leaders)?
  - What has changed in the agency or externally that may have introduced new risks?

### Assess Inherent Risk
- Assessment of the potential (or gross) “impact” and “likelihood” of a risk before considering the impact of any controls or other mitigations put in place to manage the risk.
- Performed through quantitative as well as qualitative analysis

### Controls Alignment
- What activities does the organization/agency execute in order to help mitigate the risks identified in the risk assessment?
- Are the controls reasonably designed and operating effectively?
- Are the costs and benefits of these risk mitigation procedures commensurate with the level of risk?

### Assess Residual Risk
- Assessment of the potential “impact” and “likelihood” of a risk after taking into account the effectiveness of the controls and other mitigations put into place to manage the risk.
- What is the level of risk with which we are comfortable? (risk appetite)
- Where have we identified opportunities to potentially lower our residual risk?
Risk Assessment Scope

Enterprise Level v Granular/Control Level

Enterprise

- Inability to obtain federal or bond funding.
- Infrastructure failure (i.e. a bridge collapse on a state highway)
- Inability to attract and/or retain state university faculty
- Lack of available beds and staffing at certain state run health and human services facilities, resulting in an underserved patient population.

Granular/Control

- Insufficient documentation of employee termination policy
- Expenditures not recorded in the correct period
- Transactions executed by individual outside of her/his authority.
- Inadequate segregation of duties, resulting in misappropriation of assets.
### Example – Risk Universe Elements and Associated Risk Categories

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Enrollment and Financial Aid</th>
<th>Academic</th>
<th>People</th>
<th>Student Life and Wellness</th>
<th>Regulatory and Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New revenue sources</td>
<td>Scholarships</td>
<td>Program Delivery Methods</td>
<td>Lack of Resources</td>
<td>Student Life</td>
<td>New Regulations</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>Financial Aid</td>
<td>Program Portfolio</td>
<td>Diversity</td>
<td>Student Conduct</td>
<td>Research Compliance and Reporting</td>
</tr>
<tr>
<td>Community/ Government Relations</td>
<td>Quality of Students</td>
<td>Program Quality</td>
<td>Succession Planning</td>
<td>Health and Wellness</td>
<td>Compliance e.g., Title 9</td>
</tr>
<tr>
<td></td>
<td>Rankings</td>
<td>Faculty</td>
<td>Talent management</td>
<td>Counseling</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Student Diversity</td>
<td></td>
</tr>
<tr>
<td>Enrollment and Financial Aid</td>
<td>Scholarship</td>
<td>Program Delivery Methods</td>
<td>Lack of Resources</td>
<td>Student Conduct</td>
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<td>Health and Wellness</td>
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</tr>
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<td></td>
<td></td>
<td>Program Quality</td>
<td>Succession Planning</td>
<td>Counseling</td>
<td>Compliance e.g., Title 9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Faculty</td>
<td>Talent management</td>
<td>Student Diversity</td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>Construction and Facilities</td>
<td>Financial</td>
<td>IT/Technology</td>
<td>Safety and Security</td>
<td></td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>Construction management</td>
<td>Accounting and Disclosure</td>
<td>Data privacy</td>
<td>Campus Safety</td>
<td>Procurement</td>
</tr>
<tr>
<td>Donor Stewardship</td>
<td>Facilities</td>
<td>Improper Financial Records</td>
<td>Software</td>
<td>International Travel</td>
<td>Contracts</td>
</tr>
<tr>
<td>Investments</td>
<td>Capital Projects</td>
<td>Misuse of Assets</td>
<td>Social media</td>
<td>Emergency Contact</td>
<td>Vendors</td>
</tr>
<tr>
<td>Foundations</td>
<td>Environmental Safety</td>
<td></td>
<td>Business intelligence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improper Gifts/ Giving</td>
<td></td>
<td></td>
<td>Disaster Recovery</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Higher Education faces a wide range of risks that could potentially prevent institutional success
Typical Interviewees for the Risk Assessment

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Enrollment and Financial Aid</th>
<th>Academic</th>
<th>People</th>
<th>Student Life and Wellness</th>
<th>Regulatory &amp; Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>VP for Enrollment Services</td>
<td>Provost and VP for Academic Affairs</td>
<td>VP for Diversity &amp; Equity</td>
<td>Vice Provost for Student Affairs</td>
<td>Legal Counsel</td>
</tr>
<tr>
<td>Audit Committee or Board of Trustees Chair</td>
<td>Director for Financial Aid</td>
<td>Select Dean(s) of Schools</td>
<td>Provost for Faculty Recruitment &amp; Retention</td>
<td>Director of University Counseling Services</td>
<td>Compliance Officer</td>
</tr>
<tr>
<td>Director of University Relations</td>
<td></td>
<td>Provost for Academic and Faculty Affairs</td>
<td>VP of HR</td>
<td>Vice Provost for Instruction &amp; Student Success</td>
<td>Athletic Director for Compliance and Student Services</td>
</tr>
<tr>
<td>VP of Strategic Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Endowment</th>
<th>Construction &amp; Facilities</th>
<th>Financial</th>
<th>IT/Technology</th>
<th>Safety &amp; Security</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP for Development &amp; Alumni Relations</td>
<td></td>
<td>VP for Finance &amp; Administration</td>
<td>CIO</td>
<td>Director of OEHS (Office of Environmental Health &amp; Safety)</td>
<td>Director of Athletics</td>
</tr>
<tr>
<td>Senior Philanthropic Advisor</td>
<td></td>
<td>Manager for Insurance &amp; Risk Management</td>
<td>Information Security Officer</td>
<td>Chief of Police</td>
<td>Executive Director of University Relations</td>
</tr>
<tr>
<td>Associate VP for Alumni Relations</td>
<td></td>
<td>Chief Administrative Officer for Finance &amp; Administration</td>
<td>Information Security Officer</td>
<td>Emergency Preparedness Planner</td>
<td>VP for Research</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Treasurer/Controller</td>
<td>IT Director</td>
<td>Director, Safety/Security</td>
<td>Executive Director of Government Relations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Impact Statements**:  
- Are a gauge to help assess the potential impact a given risk may have on the program/organization.  
- Serve to help understand / clarify the consequences can a given risk have on our organization.

### Quantitative & Qualitative

Assessing potential risk impacts can be accomplished utilizing both quantitative and qualitative attributes and sources of input.

#### Quantitative
- Percentage of budgeted agency expenditures  
- Percentage of agency assets.  
- External rating agencies/sources

#### Qualitative
- Guidance or expectations provided by NGO’s  
- Reputational Risk/Public Opinion  
- Health and Public Safety  
- Public Interest  
- Administrative Policy  
- Changes in internal/external environments
### Potential Risk Rating Criteria – Assessing Impact

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
</tr>
</thead>
</table>
| **Critical** | >$25M impact on financial condition  
              | Extremely negative publicity  
              | Global impact on reputation  
              | Assigned to Executive Management only for resolution |
| **Major**   | $1M to $25M impact on financial condition  
              | Serious negative impact on reputation  
              | Delegated to Senior Management for resolution |
| **Moderate** | $250,000 to $1M impact on financial condition  
              | Reputation will be affected in the short-term  
              | Delegated to Middle Management for resolution  
              | Consequences can be absorbed in the short-term |
| **Minor**   | $25,000 to $250,000 impact on financial condition  
              | Potential short-term impact on reputation  
              | Delegated to first-line leadership for resolution  
              | Consequences can be absorbed under normal operating conditions |
### Potential Risk Rating Criteria – Assessing Likelihood

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| Almost Certain | Event is expected to occur in most circumstances  
| | More than a 90% chance of occurring in any year |
| Likely    | Event will probably occur in most circumstances  
| | 51–90% chance of occurring in any year. |
| Moderate  | Event should occur at some time  
| | 21–50% chance of occurring in any year |
| Unlikely  | Event could occur at some time  
| | 5–20% chance of occurring in any year |
| Rare      | May occur but only in exceptional circumstances  
| | Less than a 5% chance of occurring in any year |
Executing an Effective Risk Assessment – Key Success Factors
## Executing an Effective Risk Assessment – Key Success Factors

<table>
<thead>
<tr>
<th>Inputs:</th>
<th>Prioritization:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure consistency in scale, scope, and perspective in evaluating risks.</td>
<td>Focus on the important – “Don’t boil the ocean!”</td>
</tr>
<tr>
<td>Establish and clearly communicate risk goals and objectives</td>
<td>Be prepared to accept certain risks instead of setting up costly, fail-safe</td>
</tr>
<tr>
<td>Make certain that inputs and evaluation criteria will create actionable results.</td>
<td>systems to attempt to avoid all risks – set up appropriate level of control</td>
</tr>
<tr>
<td></td>
<td>Understand the higher degree of sophistication needed to make complex risk and cost trade-offs</td>
</tr>
<tr>
<td></td>
<td>Put in place well-designed policies and procedures, covering: assessment, identification, categorization and remediation</td>
</tr>
</tbody>
</table>

| Objective/Goal Alignment:                                               |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Fully integrate Risk Assessment into fiber of agency                   | Focus on results and avoid bureaucracy – not a paperwork exercise               |
| Utilize Key Risk Indicators and dashboard reporting to track alignment to goals and objectives. | Clearly communicate program to staff and key stakeholders – Not enough to just say “do it” |
|                                                                      | Establish clear “ownership” by top leadership                                  |
|                                                                      | Promote cultural transformation                                                |

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Example – Enterprise Risk Profile

Top Enterprise Risks
1. Lack of Qualified Staff
2. Information Technology Resources
3. Budget
4. Changes in executive leadership
5. Inability to Attract and Retain
6. Privacy of Information
7. Regulatory Compliance
8. Lack of Diversity
9. Capital projects and maintenance of facilities
10. Safety and Security

Effectiveness of Controls/Mitigation

- No Plans/Ineffective
- Needs Strengthening (Critical)
- Needs Strengthening (Important)
- Minor Improvement Needed
- Meets Requirements
## Example – Risk Dashboard

<table>
<thead>
<tr>
<th>Risk #</th>
<th>Risk description</th>
<th>Risk category</th>
<th>Residual risk ranking</th>
<th>Risk direction</th>
<th>Risk response effectiveness</th>
<th>Risk owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inability to attract and retain high caliber employees</td>
<td>People</td>
<td>H</td>
<td>▶️</td>
<td>1 – Response Adequate</td>
<td>HR</td>
</tr>
<tr>
<td>2</td>
<td>Inadequate budget</td>
<td>Finance</td>
<td>H</td>
<td>▲</td>
<td>2 – Improvement Needed</td>
<td>CFO</td>
</tr>
<tr>
<td>3</td>
<td>Data security &amp; privacy</td>
<td>IT</td>
<td>H</td>
<td>▲</td>
<td>1 – Response Adequate</td>
<td>CIO</td>
</tr>
<tr>
<td>4</td>
<td>Regulatory compliance</td>
<td>Compliance</td>
<td>H</td>
<td>◆</td>
<td>3 – Need Strengthening</td>
<td>Compliance Officer</td>
</tr>
<tr>
<td>5</td>
<td>Facilities maintenance</td>
<td>Facilities</td>
<td>M</td>
<td>◆</td>
<td>3 – Need Strengthening</td>
<td>Facilities Manager</td>
</tr>
</tbody>
</table>

### Risk response effectiveness

<table>
<thead>
<tr>
<th>Risk response effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

### Risk direction

<table>
<thead>
<tr>
<th>Risk direction</th>
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</thead>
<tbody>
<tr>
<td>▶️</td>
</tr>
<tr>
<td>▲</td>
</tr>
<tr>
<td>▼</td>
</tr>
</tbody>
</table>
Risk Description: Risk that security measures and procedures are insufficient to provide a safe working environment

Examples:
- A serious act of violence may occur against a member of the department.
- Property damage/theft may occur.
- Third parties could be injured on departmental grounds.

Board Committee: Audit
Direction: Increasing Speed of Onset: Short-Term
Risk Considerations:
- Department campus safety includes protection from criminal activity, accidents, employee conduct.
- Off-campus safety includes protection from criminal activity, accidents, and others.
- The concern regarding safety near-campus is often heightened due to some of the department’s surrounding City neighborhoods being generally less safe.

Potential Impacts:
- Diminished reputation
- Negative impact on employee retention
- Increases in Worker’s Compensation and third party liability claims

Current Key Mitigation Activities:
- Significantly enhanced safety communication program.
- Formed a department-wide Safety Team to recommend enhancements to employee safety
- Hired additional security officer
- Worked with local neighborhood watch program promoting community safety in department facility areas.

Management/Control Effectiveness Rating: 3
Key Strategies for Further Mitigation (Owner):
- Evaluate the Safety Team recommendations; prioritize recommendations and develop funding and implementation plan
- Reevaluate and amend as necessary all policies and practices relating to safety, including employee background checks, and codes of conduct
- Evaluate employee travel practices and related policies
# Leading Practices in Risk Management and Risk Governance

## Risk Management Framework and System
- Identifying Emerging Risks and Improvement Opportunities
- Risk Appetite and Thresholds/Choice Architecture
- Delegated Authority and Limits
- Policy Statements

## Culture and Behavior
- Embedding Risk Management into the Organization through Linkage to Strategy
- Understanding Risk Culture
- Tone at the Top and Tone at the Middle
- Compensation Linked to Risk Outcomes

## Governance Structure
- Leveraging Existing Risk Assessment/Assurance/Compliance Processes (Internal Audit)
- Executive Leadership / Board Reporting to Facilitate Change
- Composition/Responsibilities of Executive Committees with Respect to Risk Oversight
- Defining Effective Risk Oversight Objectives
Leading Practices in Risk Management and Risk Governance
### Phased Approach is Practical and Flexible

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop, approve, and communicate a risk assessment mission and strategy</td>
<td>Select risks to analyze further (i.e., risk owners to perform “deep dives”)</td>
<td>Reevaluate program mission and strategy</td>
</tr>
<tr>
<td>Create some form of risk governance structure (Principal, Steering Committee or Council depending upon natures and extent of program)</td>
<td>Evolve governance needs based on initial year efforts</td>
<td>Enhance documentation and reporting tools to show interdependencies of different risks</td>
</tr>
<tr>
<td>Conduct awareness/education sessions for management</td>
<td>Update reporting dashboard and risk owners to present on detailed risks</td>
<td>Refresh risk profile</td>
</tr>
<tr>
<td>Build foundational components (</td>
<td>Update and modify risk collection and reporting tools/templates</td>
<td>Perform select risk “deep dives”</td>
</tr>
<tr>
<td>Secure agreement on top or priority risks</td>
<td>Update processes based on lessons learned from year one and start formalizing the processes</td>
<td>Facilitate the development of Risk Appetite and Tolerances and incorporate in to risk score cards for monitoring purposes</td>
</tr>
<tr>
<td>Develop risk dashboard to communicate to Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Commonwealth Risk Assessments - Observations
Commonwealth Risk Assessments - Observations

- **Goals and objectives** (of the program, agency or large) organization are clearly stated and the related risks are aligned.

- The stronger risk assessments that we identified spoke to risk within the context of the entity’s **goals and objectives**.

- Comprehensive risk assessments take into account compliance, reporting, and operational risks across **all** related functions.

- Assessments were not limited to processes and control. **Operational** functions of a given organization were addressed as well.

- Work with **manageable and actionable** outputs (i.e. work with the top rated risks, anything more is unmanageable)
Paul Rigby

DIRECTOR OF QUALITY ASSURANCE AND AUDIT
SALEM STATE UNIVERSITY
Salem State's mission is to provide a high quality, student-centered education that prepares a diverse community of learners to contribute responsibly and creatively to a global society, and serve as a resource to advance the region's cultural, social and economic development.

It is the intent of Salem State University to continually take steps to comply with the Office of the State Auditor’s mandates per MGL Chapter 647 Acts of 1989 and Office of the Comptroller Memorandum FY2001-28; June 29, 2001.
“Internal Control Systems for the various departments of the Commonwealth shall be developed in accordance with internal control guidelines established by the Office of the Comptroller” Chapter 647 Acts of 1989

Per the Office of the Comptroller Memorandum FY2001-28; June 29, 2001 to all departments:

“A departmental risk assessment is the identification and analysis of the risks that could prevent the department from reaching its goals and objectives. ........”
Per university procedure an **internal control committee** will be appointed by the president, representative of key areas of the university with the goal of conducting an annual risk assessment with procedures to mitigate those risks identified.
An Internal Control Risk Assessment Document is generated by each area of the university/department represented by a Committee member.

- Within the Internal Control Risk Assessment each committee member is to:
  
  a. assess potential risk in their area(s)/departments of the University
  
  b. document their assessments of exposure to risk
  
  c. document procedures needed to be taken to mitigate risk
  
  d. oversee the updating of the detailed procedures within their areas/departments
  
  e. submit an annual update to the Internal Control Risk Assessment Document
  
  f. each area’s Risk Assessment document is returned to Financial Services and integrated into the University-wide Risk Assessment Document
## FY2014 University Wide Internal Control Committee
### Committee Members Risk Assessment Coverage Responsibilities

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Department</th>
<th>Title</th>
<th>Risk Assessment Document Coverage Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>PR</td>
<td>Financial Services</td>
<td>Director</td>
<td>Internal Control Officer, Financial Quality Assurance, Audit Oversight</td>
</tr>
<tr>
<td>Member</td>
<td>ET</td>
<td>Human Resources</td>
<td>Associate Director</td>
<td>Human Resources, Payroll</td>
</tr>
<tr>
<td>Member</td>
<td>JD</td>
<td>Athletics and Recreation</td>
<td>Associate Director</td>
<td>Athletics</td>
</tr>
<tr>
<td>Member</td>
<td>VR</td>
<td>Academic Affairs</td>
<td>Staff Assistant</td>
<td>Academic Affairs</td>
</tr>
<tr>
<td>Member</td>
<td>GL</td>
<td>University Police</td>
<td>Director of Campus Police</td>
<td>Public Safety and Facilities</td>
</tr>
<tr>
<td>Member</td>
<td>CC</td>
<td>Marketing and Communications</td>
<td>Director</td>
<td>Marketing and Communications</td>
</tr>
<tr>
<td>Recorder</td>
<td>FS</td>
<td>Financial Services</td>
<td>Administrative Assistant II</td>
<td>Document Management, Meeting Scheduling and Minutes, Communications</td>
</tr>
</tbody>
</table>
1. Attend all committee meetings held

2. Become well versed with ‘Internal Control’ concepts and procedures as well as issues involving fraud, waste, and abuse (see resources below)

3. Facilitate **compliance** for departments assigned with MGL Chapter 647 by:
   - a. Conducting or assuring the completion of a Risk Assessment
   - b. Completing or overseeing the completion of a Risk Assessment document

4. Assuring that risk conditions both unique as well as those common to all departments are assessed within departments assigned

5. **Assuring mitigation procedures are stated in the Risk Assessment** as being in place or in the process of being put in place for each Risk Area identified
Internal Control References and Resources

  [http://www.mass.gov/osc/guidance-for-agencies/internal-controls.html](http://www.mass.gov/osc/guidance-for-agencies/internal-controls.html)


- Association of Government Accountants (AGA) Fraud Prevention Tool Kit
  [http://www2.agacgfm.org/tools/FraudPrevention/](http://www2.agacgfm.org/tools/FraudPrevention/)

- Commonwealth of Massachusetts Executive Order 504, Order Regarding the Security and Confidentiality of Personal Information **

- MA 201 CMR 17 - STANDARDS FOR THE PROTECTION OF PERSONAL INFORMATION OF RESIDENTS OF THE COMMONWEALTH

- Federal Trade Commission Red Flag Rules for Detecting Fraud, Waste, Abuse
Internal Control References and Resources

- SSU Financial Services Fraud, Waste, Abuse Resources web pages  
  http://www.salemstate.edu/about/10372.php

- SSU 2013 Risk Assessment & Internal Control Plan:  
  http://www.salemstate.edu/about/4267.php


** Personal Information ** - First name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident’s financial account, provided, however, that “Personal information” shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.
<table>
<thead>
<tr>
<th>Ln #</th>
<th>Area</th>
<th>Source</th>
<th>Risk Driver</th>
<th>Category</th>
<th>Goal</th>
<th>Risk</th>
<th>Existing Controls</th>
<th>Desired Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>290</td>
<td>FINFAC</td>
<td>GA</td>
<td>Operational/Financial</td>
<td>Monthly Accounting &amp; Financial Procedures</td>
<td>Accurate and Timely reporting of State Appropriation activity</td>
<td>Inaccurate budgetary reporting, unnecessary reversion of planned resources possible violation of state finance law</td>
<td>Monthly reconciliation and reporting of state appropriations activity using MMARS NGA 207S reports vs. planned budget activity to date data in excel report template. Save to Financial Services share drive monthly closing reports folder for administrative use, access, decision making</td>
<td></td>
</tr>
<tr>
<td>420</td>
<td>PUBLIC SAFETY</td>
<td>UNIV POLICE</td>
<td>Operational/Safety Issues</td>
<td>Facilities, Health &amp; Safety Issues</td>
<td>Emergency Communication</td>
<td>Lack of communication amongst staff, faculty and students all contributes to the increase of potential incidents in offices, departments and workspaces on campus.</td>
<td>SSU PD assists in the facilitation of a comprehensive university-wide emergency notification protocol. Mass emergency notification is accomplished by way of the university website as well as the Connect Ed notification system that transmits messages to email, phone and text.</td>
<td></td>
</tr>
</tbody>
</table>
Procedures for Monthly Reconciliation of State Appropriations: PeopleSoft GL to MMARS EXAMPLE

- Each Salem State University State (SSC) Appropriation in MMARS maps to a specific fund in the SSC PeopleSoft (PS) General Ledger system. PS COA information (i.e. fund, account, department, program) is also entered into the detailed accounting section of each MMARS transaction and therefore written to the Commonwealth Information Warehouse (CIW).

- The Accountant responsible for the monthly reconciling of State Appropriations must assure ...

- A query is run monthly against the CIW that extracts the total expenditures in MMARS ... copied into an excel spreadsheet. .....

- The output of this query is used as input for the Monthly MMARS to PS upload process. .....  

- The weekly MMARS production report NGA207s report is also run. This reflects the weekly expenditure activity by transaction recorded in MMARS per Appropriation and is compared to PS detail queries.

- The CIW query is sorted by Appropriation, period and object code with the total of expenditures for each object code calculated and subtotaled. It is compared to the Trial Balance

- The total expense per each object code in MMARS is compared to the balance per each PS expense

- Account Variances are to be identified, researched, defined and resolved per month end reconciliation procedures.