

# Enterprise Risk Management Program Update

Audit & Risk Committee

April 1, 2026

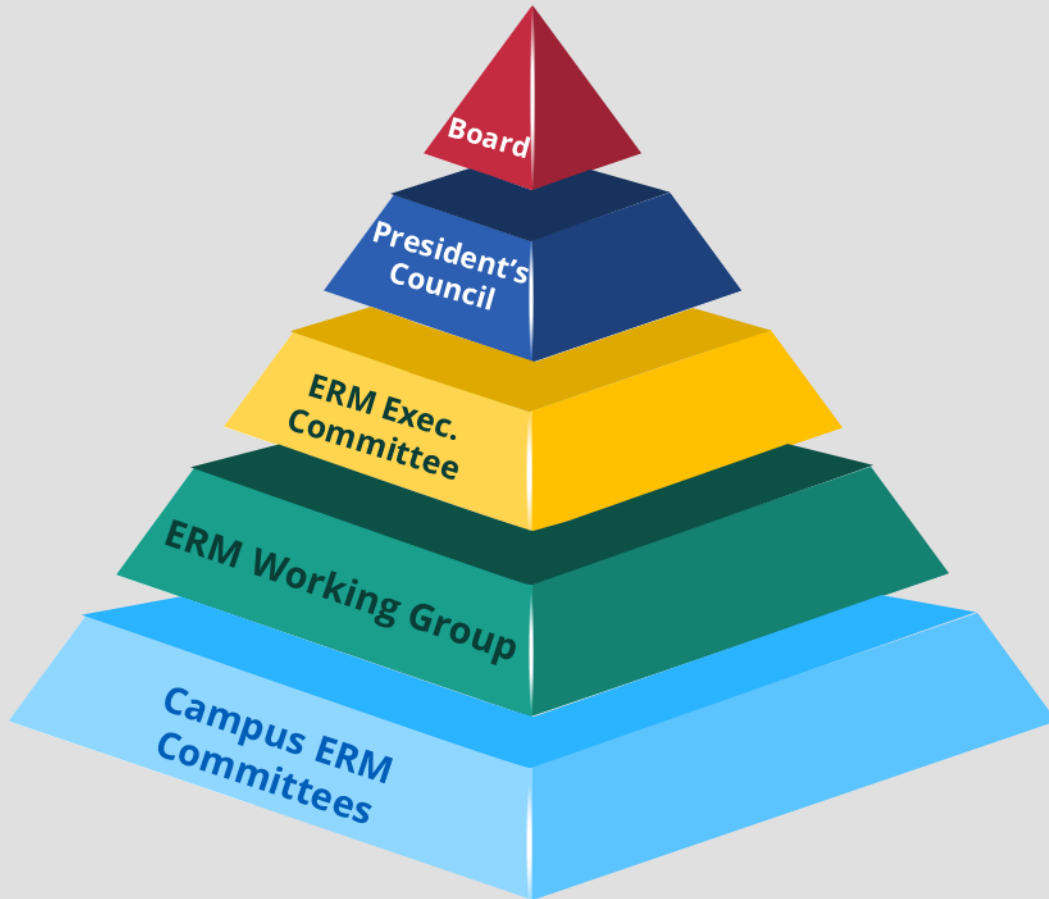


University of Massachusetts

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# UMass Systemwide ERM Program

## Governance with Defined Roles and Responsibilities



## Two-Year Program Cycle

To Be Issued  
Summer 2026

Completed  
Fall 2025



In Progress  
Est. Completion:  
Fall 2026

# FY26 Risk Assessment Complete



## ■ Priority Risks

Rank	Risk
1	Financial Sustainability
2	Enrollment
3	Research
4	Facilities & Deferred Maintenance
5	Diversity, Equity, Inclusion & Accessibility
6	Information Security
7	Student Health & Mental Health Support
8	Artificial Intelligence
9	Attract, Recruit, Retain Faculty & Staff
10	All-Hazards Planning & Response Capabilities*

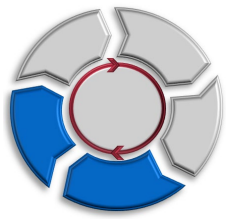
Rank	Risk
11	International Activities
12	Data Privacy
13	Labor Relations
14	Athletic Regulations
15	Data Management
16	IT Disaster Recovery
17	Academic Quality and Standards
18	Vendor Risk Management
19	Title IX
20	Crisis Communication Coordination

Rank	Risk
21	Policies/Procedures Regarding Minors on Campus
22	Environmental and Public Health, & Safety Regulations
23	Sustainability
24	Fraud, Waste, Abuse
25	Continuity Planning
26	Multi-State Taxation
27	Employment Laws and Regulations
28	Alcohol and Substance Use Disorder
29	Oversight of Student Organizations

\* New to Top 10; new to mitigation assessment process

# In Progress: Mitigation Assessment

DRAFT – FOR DISCUSSION PURPOSES ONLY

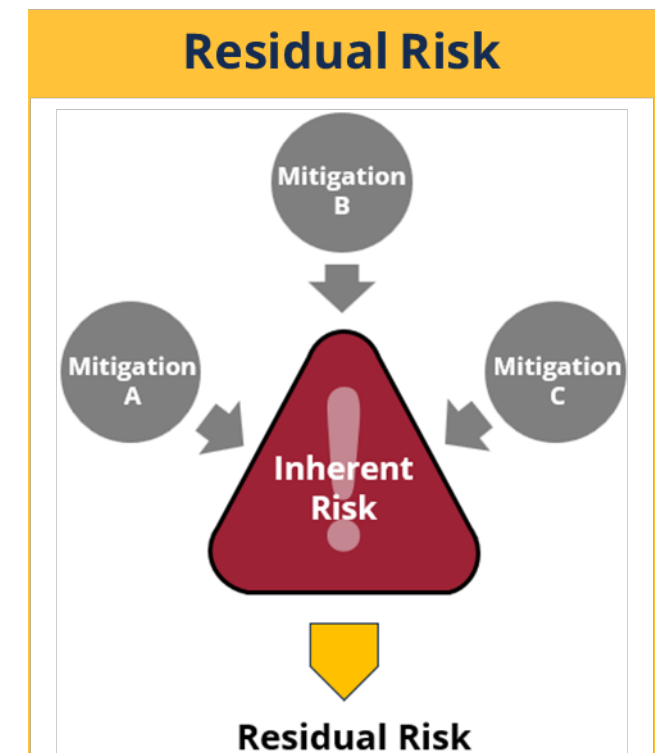
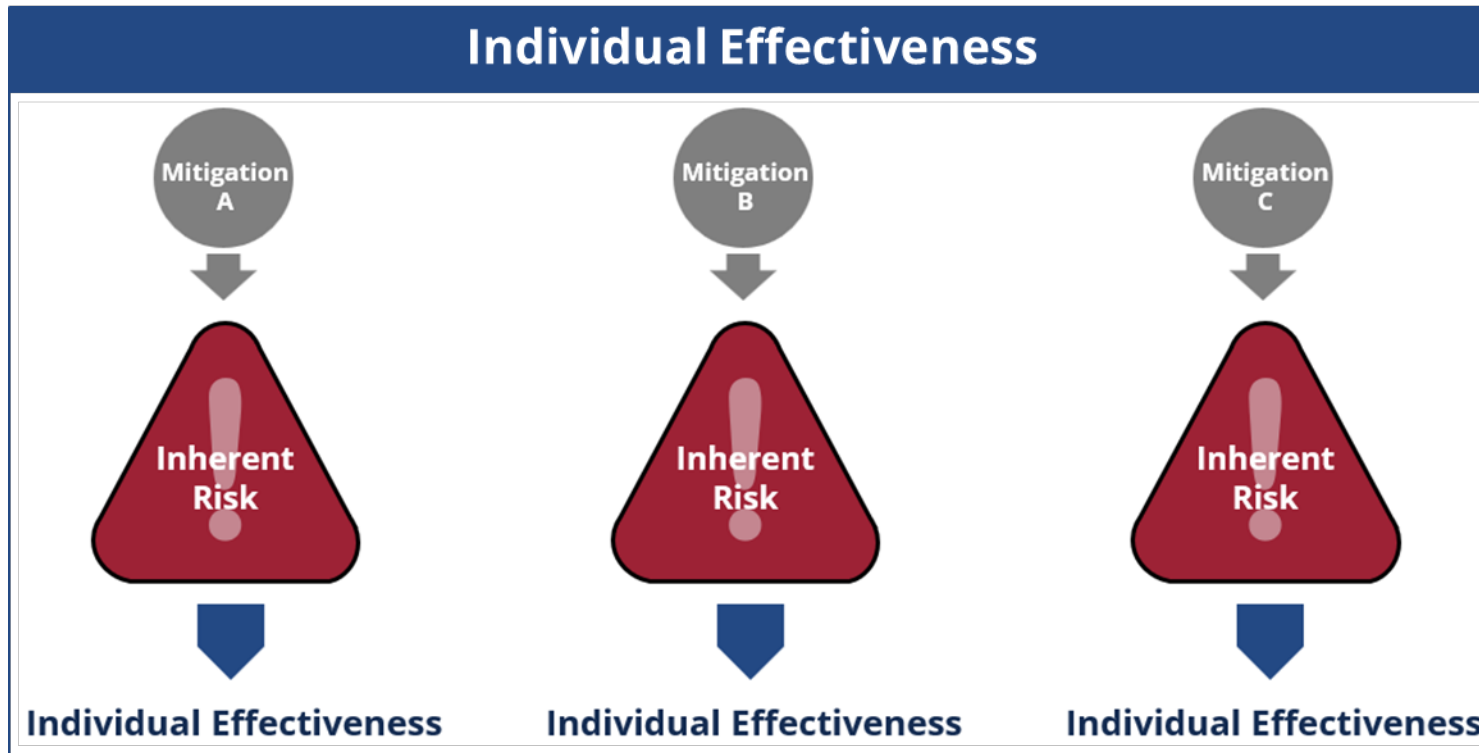


## Assessment Process

- Launched in March 2026
- Focused on Top 10 (priority) risks
- Facilitated using MATRX, UMass’s award-winning mitigation assessment tool
- Identifies and assesses the effectiveness of mitigation strategies

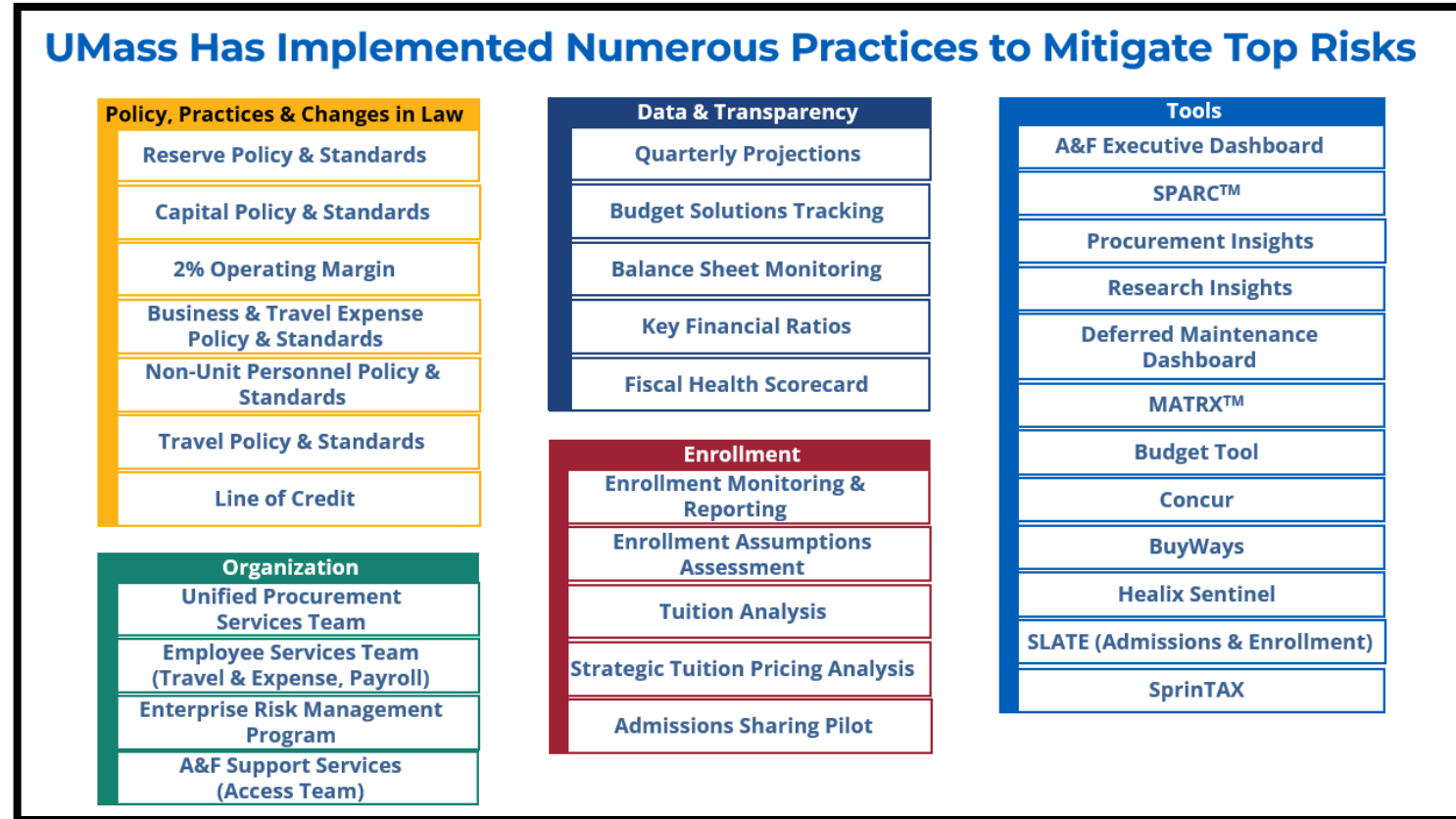
## Assessment Results

- Individual Effectiveness: Degree of impact each strategy has in reducing inherent risk
- Residual Risk: Degree to which all strategies (in aggregate) reduce risk



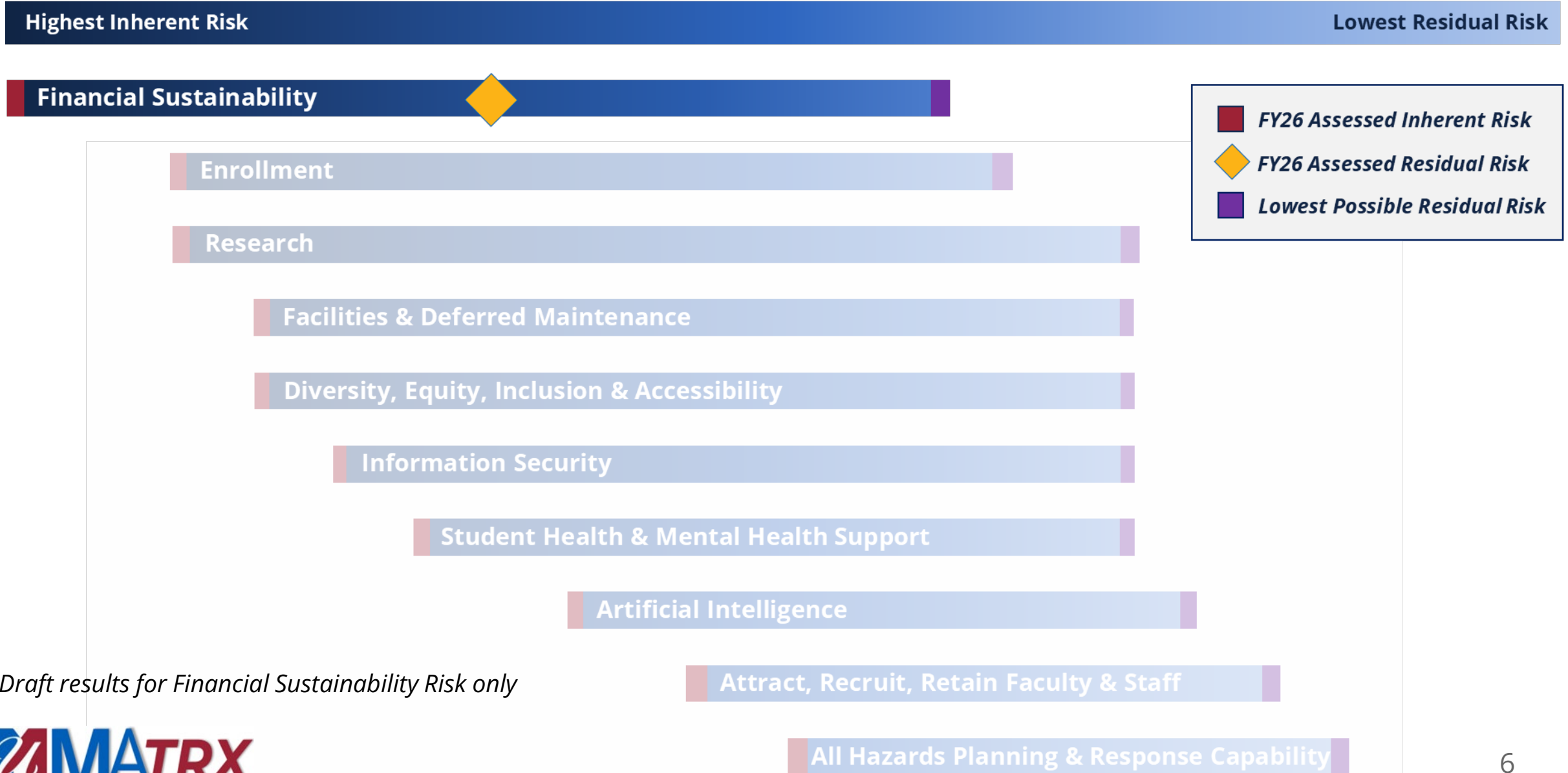
# Mitigating the University's Top Risk: Financial Sustainability

- Leadership has been working diligently to ensure the University's financial sustainability
- 35 mitigation strategies have been documented and assessed under the ERM Mitigation Assessment process
- Strategies include those that are currently being implemented as well as some proposed strategies




# Residual Risk: Aggregate Impact of All Assessed Mitigation Strategies

## Range of Risk Exposure




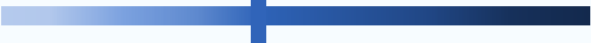
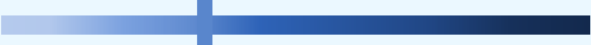



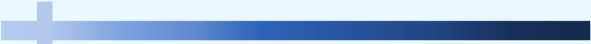

*\*Draft results for Financial Sustainability Risk only*

# Financial Sustainability: Individual Effectiveness of Mitigation Strategies

Rank*	Strategy ( <i>DRAFT as of 3/12/26</i> )	Status	Individual Effectiveness Scale 
1	Strategies for State Financial Support	Fully	
	Implementation of Unified Procurement Services Team (UPST)	Fully	
2	<b><i>Fiscal Health Policy and Standards (to be discussed at A&amp;F Committee Mtg)</i></b>	Proposed	
	Maintain 2% Operating Margin	Fully	
	Reporting - Quarterly Budget Projections and Annual Budget	Fully	
	Reporting - Annual Five-Year Forecast Refresh	Fully	
3	Reserves Policy	Fully	
	Systemwide Budget Planning Tool (EPM)	Fully	
	Reporting - Quarterly Capital Reporting and Biennial Capital Plan	Fully	
	Capital Policy and Standards	Fully	
	Enhanced Real-Time Admissions and Enrollment Tracking	Fully	
	Financial Forecast Module for Budget Tool	Proposed	
	Implementation of Systemwide Enterprise Risk Management (ERM) Program	Fully	
4	SPARC Dashboard	Fully	
	Research Insights Dashboard	Fully	
5	Line of Credit	Fully	
	Cash Flow Modeling and Projections	Fully	
	Procurement Insights Dashboard	Fully	
	Monitoring of Component Units	Fully	
	Business & Travel Expense Policy & Standards	Fully	

\* Strategies with the same rank have been grouped together; the impact scale reflects the impact of each individual strategy, not the combined effectiveness of the strategies

# Financial Sustainability: Individual Effectiveness of Mitigation Strategies

Rank*	Strategy (DRAFT as of 3/12/26)	Status	Individual Effectiveness Scale 
6	Monitor Key Financial Metrics	Fully	
	Deferred Maintenance Dashboard	Fully	
	Capital Investment Dashboard	Fully	
	Operating Cash Invested with Foundation	Fully	
	Enrollment Assumptions Testing	Proposed	
7	Enhanced Admissions Sharing	Partially	
	Implementation of Employee Services Team (EST)	Partially	
8	Chart of Accounts Update	Partially	
9	Compliance with Federal Grants	Fully	
10	Monitoring of Grant Spend-down	Fully	
11	Adoption and Forecasting of Changes in GASB	Fully	
	Appropriate Account Treatment for P3s	Fully	
12	Strategic Tuition Pricing Analysis & Financial Aid Tracking	Fully	
	Align States Eligible for Regional Tuition Rates	Fully	

\* Strategies with the same rank have been grouped together; the impact scale reflects the impact of each individual strategy, not the combined effectiveness of the strategies

# Next Steps

Develop FY26 ERM Report

**Summer 2026**  
Issue report

Complete mitigation  
assessment for  
remaining Top 10  
FY26 risks

**December 2026**  
Present results at  
Audit & Risk  
Committee meeting