



OA General Services, Risk Management

Enterprise Risk Management

ERM Definitions

Risk Classifications

Business Process/System - Typically consists of procedures and practices and organization uses. Occurs when these practices and procedures not followed or system breakdown/failure.

Competition - Competitors with better or worse products/services.

Demographics - Age population shift resulting from increases or decreased life expectancy, increase or decrease fertility rates, migration or immigration.

Economic Environment - Gross Domestic Product (GDP) fluctuations, inflation, financial debt crises, International Trade flows and restrictions.

Information Technology - Vulnerabilities and threats to the information resources used by an organization in achieving business objectives, and deciding what countermeasures, if any, to take in reducing risk to an acceptable level, based on the value of the information resource to the organization

Legal - Uncertainty related to financial responsibility arising from bodily injury, death, or loss of wealth that a person or a organization causes to others.

Management Oversight - Could include poor institutional knowledge, decreased management interaction with employees.

Market - Occurs from changes in the value of financial assets such as currency, interest rates, commodities, equity price, and liquidity.

People - Includes all employees of an organization. May consist of employee theft, dishonesty, errors made by an employee, or discrimination or harassment by managers.

Personnel - Uncertainty related to the loss to an organization due to death, incapacity, loss of health, or prospect of harm to or unexpected departure of important employees.

Political Environment - Results of governmental actions

Property - The loss of wealth due to the damage or destruction of property.