Empowering Governments and Small Departments: *Scalable ERM*

Baker Tilly Enterprise Risk and Governance Strategist Norris James
Illinois Tollway Chief of Internal Audit Shaun Farmer

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SPEAKERS

Norris James

Baker Tilly

Enterprise Risk and Governance Strategist

Shaun Farmer

Illinois Tollway

Chief of Internal Audit

THE EVOLVING RISK LANDSCAPE

Today's government entities face increased risks

CYBERSECURITY THREATS	CLIMATE CHANGE IMPACTS	BUDGET CONSTRAINTS

*Government leaders need **adaptable frameworks** for unique operational constraints*

EPRM IMPERATIVES

RESOURCE CONSTRAINTS

STAKEHOLDER VALUE

COMPLIANCE EXCELLENCE

Limited budgets and lean staffing require **efficient, scalable solutions** that **maximize impact without overwhelming existing capacity**

EPRM IMPERATIVES

RESOURCE CONSTRAINTS

STAKEHOLDER VALUE

COMPLIANCE EXCELLENCE

ERM creates **tangible value** by **improving decision-making, enhancing operational resilience, and building community trust**

EPRM IMPERATIVES

RESOURCE CONSTRAINTS

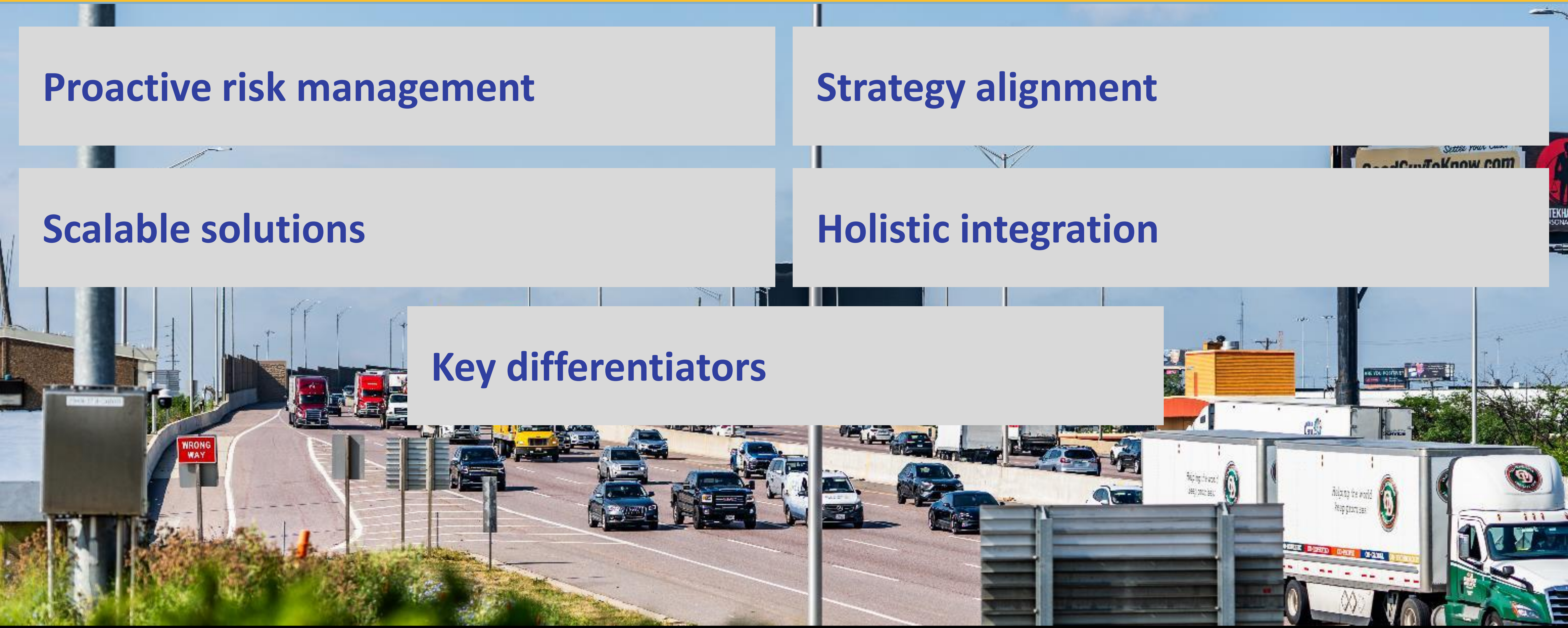
STAKEHOLDER VALUE

COMPLIANCE EXCELLENCE

Proactive risk management **helps organizations stay ahead** of regulatory requirements while **avoiding compliance issues and non-compliance**

SCALABLE ERM TECHNOLOGY

Value Creation



Proactive risk management

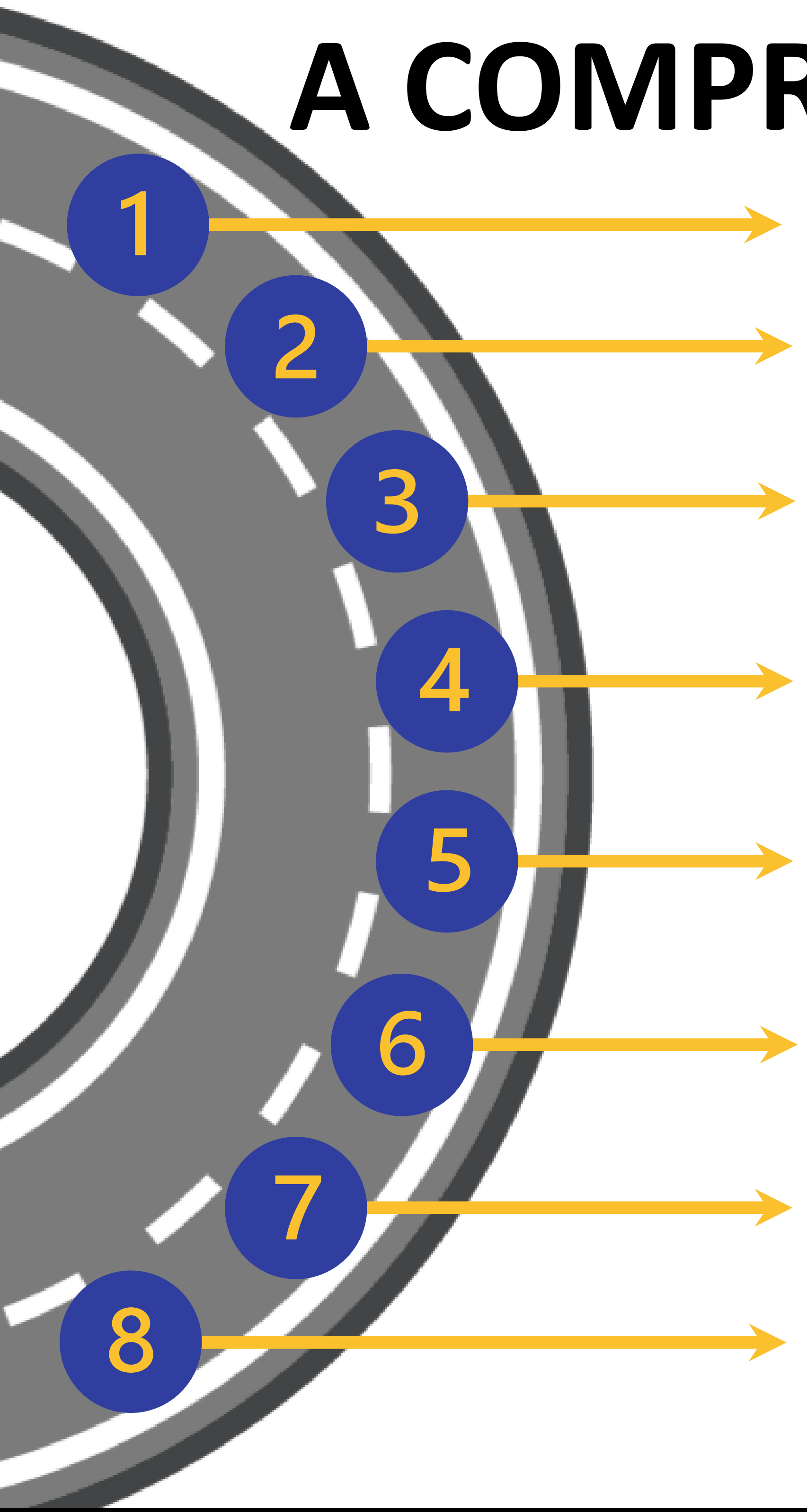
Strategy alignment

Scalable solutions

Holistic integration

Key differentiators

A COMPREHENSIVE PROCESS



1. Program initiation
2. Maturity assessment
3. Risk identification
4. Assessment and prioritization
5. Response planning
6. Monitoring and reporting
7. Quantitative analysis
8. Continuous improvement

This **eight-step** framework represents a comprehensive and robust ERM program profile.

Organizations can effectively implement it using a practical “crawl, walk, run” approach, **adapting the process to their unique culture, resources, and risk maturity levels.**

TECHNOLOGY ENABLED SOLUTIONS

- **Addressing public sector constraints**
  - AI-driven risk identification tools significantly reduce time-to-value
  - Virtual stakeholder engagement platforms enable collaborative risk assessment processes
- **Reduced implementation time**
  - AI-driven tools delivering value quickly even with limited resources
- **Enhanced collaboration**
  - Virtual stakeholder engagement platforms enable participation regardless of geographic or scheduling constraints

Real-world impact: *A mid-sized city government* ***reduced its risk-assessment cycle from 6 months to 6 weeks*** *using technology (Baker Tilly's Risk Synergy Tool), while* ***improving stakeholder participation by 40 percent*** *through virtual engagement tools.*

IMPLEMENTATION PATHWAYS AND ACTIONABLE ROADMAP

ERM LITE APPROACH

- For smaller/beginner entities starting ERM journey
- Focus on
  - Essential risk identification
  - Basic assessment
  - Foundational governance
- Streamlined risk register
- Simple scoring methodology
- Essential reporting dashboards

PHASED EXPANSION

- Gradual implementation
- Allows for systematic building, adding features as resources and maturity level increases
- Progressive feature adaptation
- Incremental training programs
- Scalable technology deployment

OPTIMIZED ERM PROGRAM

- Features all advanced capabilities
- Quantitative analysis
- Full framework development
- Advanced analysis capabilities
- Integrated strategic planning

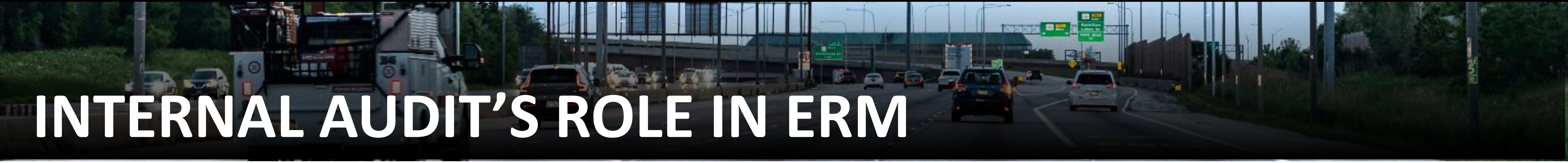
Success metrics: *Improved compliance rates, enhanced stakeholder confidence, reduced operational disruptions and measurable progress toward strategic objectives.*

BUILDING LONG-TERM VALUE

Organizational Resilience

CUSTOMIZED APPROACH	PRACTICAL IMPLEMENTATION	TECHNOLOGY EXCELLENCE

Transform *risk management from a compliance burden into a* ***strategic advantage*** *that builds stakeholder confidence and organizational resilience.*



INTERNAL AUDIT'S ROLE IN ERM

CORE ASSURANCE ROLES

- Provide assurance on the risk-management process
- Ensure risks are correctly evaluated
- Evaluate the reporting of key risks
- Review the management of key risks (including testing controls)

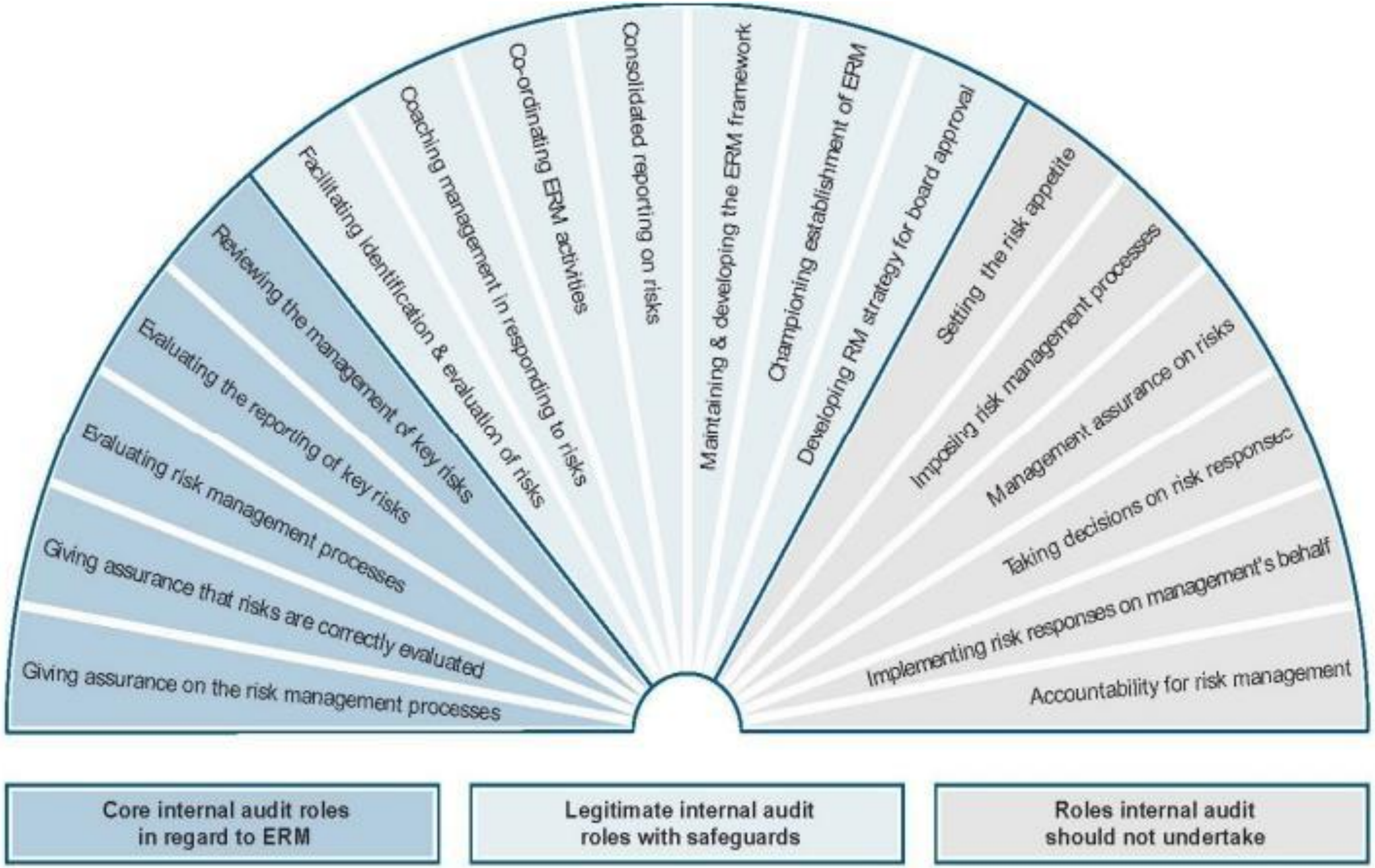
SAFEGUARDS

- Facilitate identification and evaluation of risks
- Coach management in responding to risks
- Coordinate ERM activities
- Consolidate reporting on risk
- Champion establishment of ERM

INTERNAL AUDIT DOES NOT:

- Set risk appetite
- Impose on risk-management processes
- Provide management assurances on risk
- Make decisions on risk responses
- Implement risk responses on management's behalf
- Assume accountability for risk management

INTERNAL AUDIT’S ROLE IN ERM




THANK YOU