



Strengthening Tribal Operations through Risk Assessment and Contingency Planning

Presented by:



Housekeeping



This webinar is being **recorded**. Slides will be sent to attendees via email.



Please use **Q&A box** to submit questions.



Use the **chat** for any technical difficulties and other comments.

With You Today



Joel Laubenstein

Principal

Development and Community Advisory

joel.laubenstein@bakertilly.com



Annie Rose Favreau

Director

*Strategy, People, and
Operations Consulting*

annierose.favreau@bakertilly.com



Maria Stroth

Senior Manager

*Strategy, People, and
Operations Consulting*

maria.stroth@bakertilly.com

More than a Merger. A Multiplier.

Together, Baker Tilly and Moss Adams create something exponential.

With our combined industry expertise, capabilities, and footprint, we create an outsized impact for our clients.





Learning Objectives

WHAT IS RISK?

Identify key risks impacting Tribal operations in the current environment

HOW CAN RISK BE MANAGED?

- Discuss the principles and importance of enterprise risk management for Tribal governments
- Discuss the components of effective contingency planning
- Identify recommended practices to enhance operational continuity and resilience amid uncertainties

POLLING QUESTION #1

What is your primary role or focus within your organization?

- A. Program management
- B. Finance and administration
- C. Risk management and compliance
- D. Leadership and governance
- E. Something else



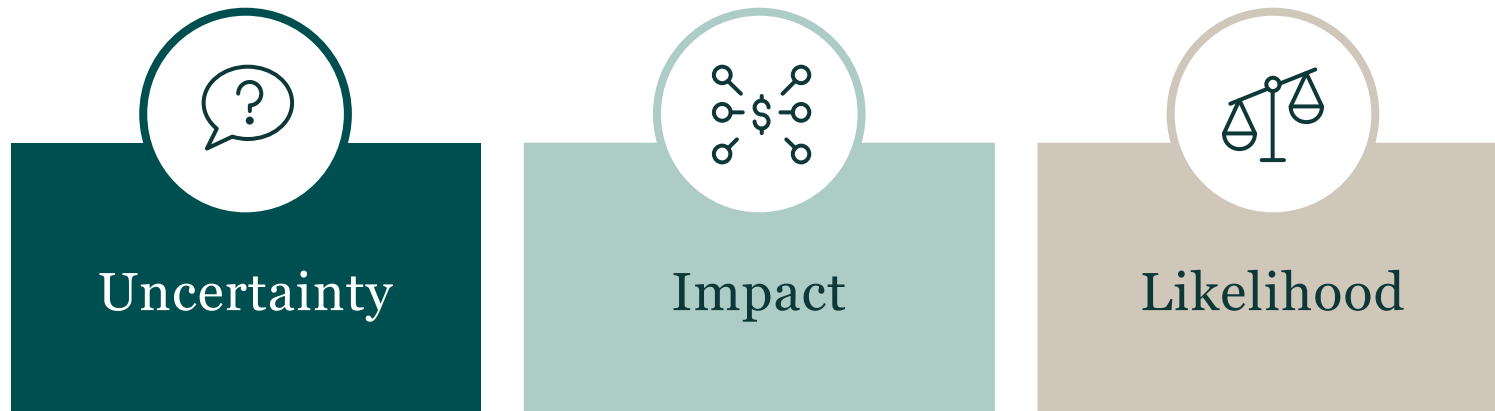
Understanding Risk



What Is Risk?

- The potential for loss or harm that may impact the organization's ability to achieve its goals
- Encompasses uncertainties that can arise from various sources, including internal operations, external environments, and strategic decisions

KEY CHARACTERISTICS INCLUDE:



Common Risk Areas

IMPACT RISK:

Events that could negatively affect the intended impact of Tribal programs, projects, or initiatives. Impact risk can occur at the program, portfolio, or organizational level.

REPUTATIONAL RISK:

Events that could ham the Tribe's public image, trust, relationships with community members, partners, and federal agencies.

OPERATIONAL RISK:

Events that could disrupt the Tribe's ability to deliver services or fulfill its mission due to challenges with staffing, procedures, systems, or policies.

GOVERNANCE RISK:

Events that could impact compliance with Tribal laws, federal regulations, grant requirements, or good governance practices essential to Tribal sovereignty and accountability.

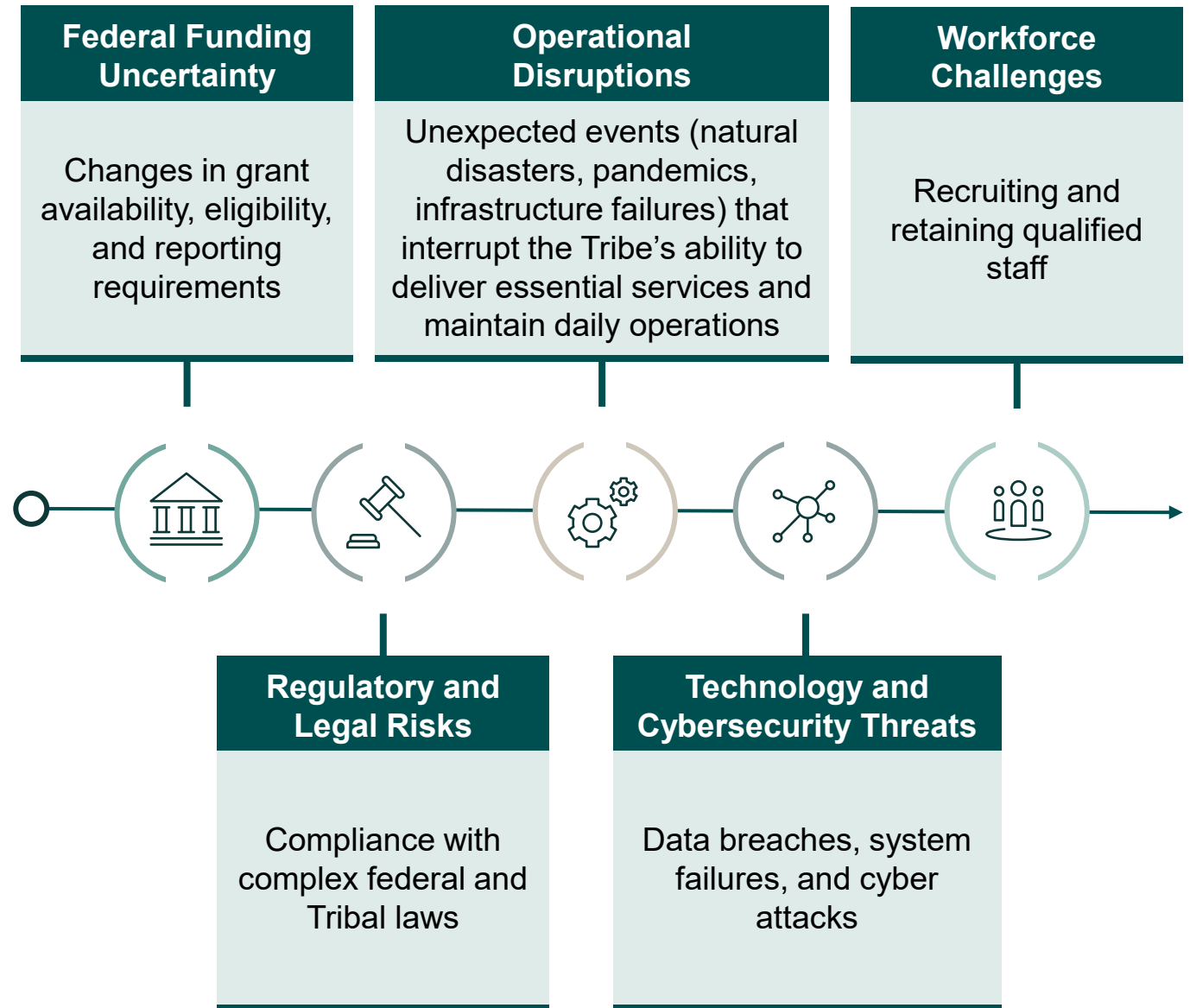
FINANCIAL RISK:

Events that could lead to loss of funding, misallocation of resources, or financial instability affecting Tribal programs and operations.

EXTERNAL RISK:

Events beyond the Tribe's control, such as economic challenges, national disasters, political shifts, or federal policy decisions, that may hinder mission achievement.

Common Tribal Government Risks in 2025



POLLING QUESTION #2

Which risk area do you think is the highest area of concern for your organization in 2025?

- A. Impact risk
- B. Reputational risk
- C. Operational risk
- D. Governance risk
- E. Financial risk
- F. External risk



Risk Management Fundamentals



What Is ERM?

Enterprise risk management (ERM) is about **understanding and assessing** the risks your organization faces and having a **sustainable and repeatable process** to successfully monitor or mitigate them.

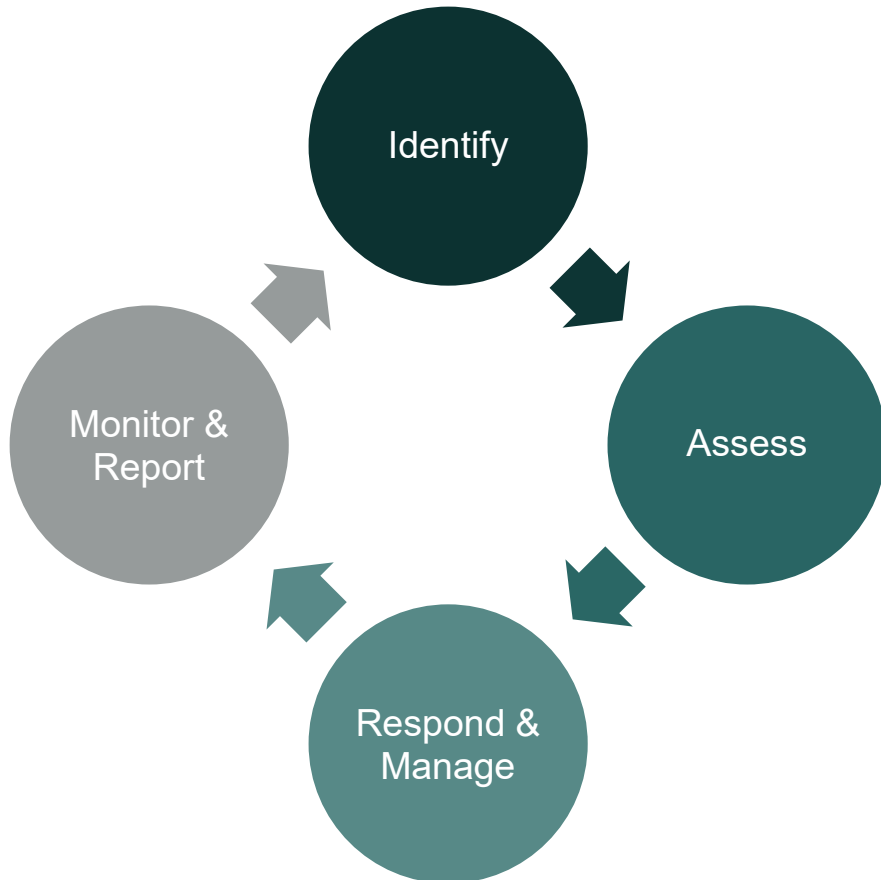
MOST ERM PROGRAMS ARE:

- Designed to **identify potential events** that can impact the organization and **manage related risks**
- An **ongoing process** that flows throughout an organization
- Impacted by **people at every level** within an organization
- Geared to **support the organization's objectives**—it's a means to an end, not an end in itself

Why Is ERM Important?



The ERM Lifecycle



IDENTIFY:

How we identify and prioritize risks

ASSESS:

How we assess the key causes & consequences of the identified risks

RESPOND & MANAGE:

How we choose risk response strategies, and manage the risks

MONITOR & REPORT:

How we monitor the risks and report about them

ERM Framework



Define clear policies and procedures



Assign roles and responsibilities



Conduct training and build awareness



Implement simple tools and processes



Regularly review and adjust

Practical Considerations for Tribal Governments

- Align risk management with your mission and community values
- Customize risk assessment processes to fit Tribal culture, governance, and resources
- Foster a risk-aware culture
- Engage Tribal leadership, program managers, and community members for diverse perspectives
- Use accessible tools and approaches that match organizational capacity
- Monitor and evaluate continuously

POLLING QUESTION #3

How would you describe your organization's approach to risk management?

- A. Robust and integrated into our operations
- B. Strong but sometimes disconnected
- C. Moderate—we have some pieces in place
- D. We don't have a defined approach to risk management



Risk Management Tools



Core Risk Management Tools

- Risk Assessments
 - Enterprise risk assessments
 - Risk registers
 - Program/project-specific risk assessments
 - Performance audits
- Contingency Planning



Risk Assessments



Enterprise Risk Assessments

SYSTEMATIC:

ERAs use a systematic process to identify, evaluate, and prioritize risks that could affect an organization's mission/goals.

HOLISTIC:

ERAs examine different types of risk—operational, financial, strategic, governance, and compliance—to help leaders understand vulnerabilities and potential threats.

STRATEGIC:

The assessment informs decision-making on how to prioritize and manage these risks, making them crucial for proactive risk management and organizational resilience.

Enterprise Risk Assessment Example

RISK CATEGORY	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
High Risk				
Information Technology and Cybersecurity	Moderate to High	Moderate	Low to Moderate	Increasing
Moderate Risk				
Grants Management and Compliance	Moderate to High	Moderate	Moderate	Decreasing
Planning and Strategy	Moderate to High	Moderate	Low to Moderate	Flat
Low Risk				
Human Resources	High	Low to Moderate	Moderate to High	Decreasing
Governance	Moderate	Moderate	Moderate to High	Decreasing
Reputation	Moderate	Low to Moderate	Moderate	Decreasing

Risk Register

STRUCTURED:

A risk register is a structured spreadsheet or tool used to record and track risks. It includes details like the description of each risk, its potential impact, likelihood, owner, and mitigation strategies.

ONGOING:

The risk register allows for regular monitoring and management of risks, ensuring they are addressed consistently.

INFORMATIONAL:

It provides a clear overview of the organization's risk landscape, supporting informed decision-making and risk management efforts.

Risk Register Example

Risk Category	Risk Description	Risk Rating	Risk Manager	Current Mitigations	Planned Mitigations

Program/Project Risk Assessments

INTERNAL AUDITS:

Targeted reviews of processes and procedures to ensure that risks—particularly financial and operational—are well-managed.

SCENARIO PLANNING:

Used to anticipate different future events and prepare strategies for dealing with uncertain outcomes, particularly in programmatic or financial areas.

DUE DILIGENCE ASSESSMENTS:

Used to assess potential risks when selecting grantees or partners, ensuring compliance, financial health, and programmatic alignment.

Performance Audits

PERFORMANCE AUDITS ARE MEANT TO:

- Provide an objective assessment of a program or organization's performance
- Evaluate the efficiency, effectiveness, and economy of operations
- Focus on whether intended outcomes are being achieved and whether resources are being used effectively
- Identify areas for improvement
- Inform decision making processes

Usefulness of Performance Audits

Performance audits can be used to improve the cost effectiveness and efficiency of overhead functions in several ways:

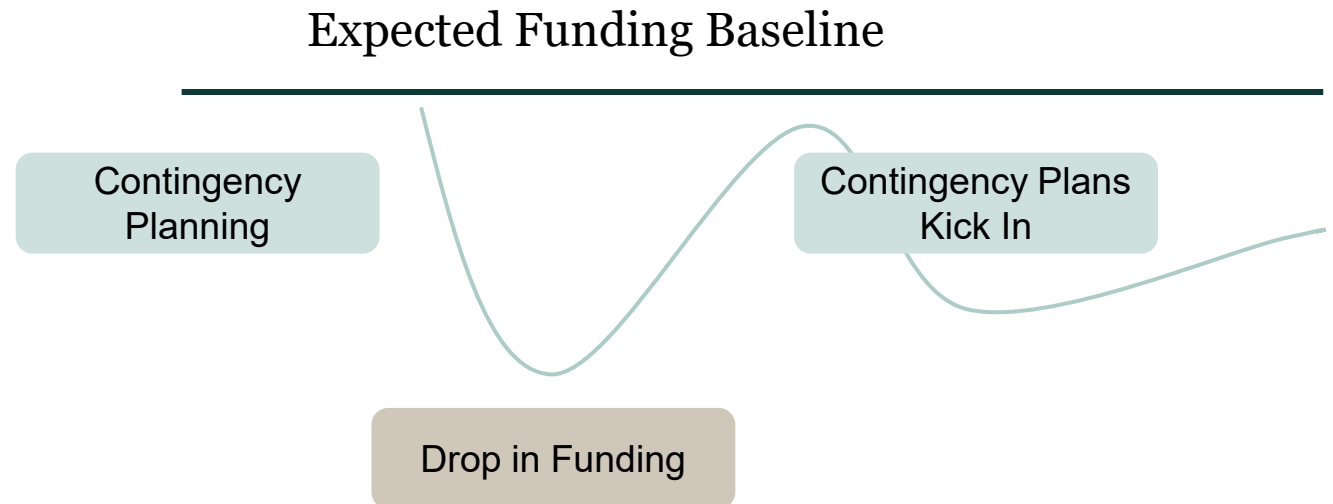
- Identifying inefficiencies
- Evaluating resource allocation
- Benchmarking against best practices or industry standards
- Enhancing accountability
- Recommending Improvements

Contingency Planning



What Is Contingency Planning?

Financial contingency planning is the upfront process of discussing potential funding disruptions and determining the **actions and resources** that would be needed to keep essential operations running if funding is reduced or eliminated.



Contingency Planning for Tribal Government Organizations

What programs do we have and what positive impacts do they have on our community?

Where is our funding coming from and which sources are most at risk?

For the programs at highest risk, what options do we have if funding is cut off?



Contingency Option Overview

1. Generate More Income or Capital

- Establish or increase revenue-generating enterprises
- Update Indirect Cost Proposal rates
- Take a line of credit
- Obtain a bank loan
- Establish a Tribal Revenue Bond
- Explore other Federal financing/assistance

2. Reduce Expenses

- Reduce expenses by wholly or partially eliminating services
- Reduce or delay capital expenditures
- Establish intergovernmental agreements or partnerships to provide services in a more cost-effective way

3. Reallocate Current Funding

- Use reserve funds
- Reallocated current funding from one program/service to another

4. Find Alternative Fund Sources for Specific Programs/Services

- Secure alternative grant funding for specific programs
- Secure additional BIA, USDA, or HUD loans

Proactive

Reactive

POLLING QUESTION #4

My organization would benefit from ...

- A. An enterprise risk assessment
- B. A risk register
- C. A program/project risk assessment
- D. A contingency plan
- E. All of these!
- F. None of these—we have them!



➤ QUESTIONS

Let's start a conversation
annierose.favreau@bakertilly.com
maria.stroth@bakertilly.com



Before You Go...

MORE OF OUR INSIGHTS AND RESOURCES ARE A CLICK AWAY

Visit our website to find:

- Higher education insights and resources
- Government services insights and resources
- Tribal & gaming insights and resources
- Not-for-Profit Newsletter
- Foundations insights and resources
- Not-for-Profit Webcast Series
- General and industry-specific articles and alerts
- Connect with us—subscribe to our content

The material appearing in this presentation is for informational purposes only and should not be construed as advice of any kind, including, without limitation, legal, accounting, or investment advice. This information is not intended to create, and receipt does not constitute, a legal relationship, including, but not limited to, an accountant-client relationship. Although this information may have been prepared by professionals, it should not be used as a substitute for professional services. If legal, accounting, investment, or other professional advice is required, the services of a professional should be sought.

Baker Tilly US, LLP, Baker Tilly Advisory Group, LP and Moss Adams LLP and their affiliated entities operate under an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly Advisory Group, LP and its subsidiaries, and Baker Tilly US, LLP and its affiliated entities, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP and Moss Adams LLP are licensed CPA firms that provide assurance services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ISO certification services offered through Moss Adams Certifications LLC. Investment advisory offered through Moss Adams Wealth Advisors LLC and Baker Tilly Wealth Management, LLC.

© 2025 Baker Tilly Advisory Group, LP

Thank You!



Please remember to **complete the survey** in your browser after you exit.



Subscribe to receive the latest NAFOA news at **nafoa.org/subscribe**