ENTERPRISE RISK MANAGEMENT
NEWSLETTER

INSIDE THIS ISSUE

- **Welcome Message**

- **Emerging Risk Spotlight: Generative Artificial Intelligence**

- **Enterprise Risk Management Program Updates**

Emerging Risk Spotlight: Generative Artificial Intelligence

Explore the potential impact of Generative Artificial Intelligence on the University's operations (Page 3).

Enterprise Risk Management Program Updates

Learn more about the Enterprise Risk Management program's highlights, new activities, and ongoing projects (Page 5).

Upcoming Trainings & Workshops

ERM Essentials: Proactive Approaches for Identifying, Assessing, and Mitigating Enterprise Risks

Date: 09/20/23
Location: Virtual

Exploring Generative AI at the University of Montana: Opportunities and Challenges

Date: 10/19/2023
Location: Virtual

Welcome Message

Welcome to the inaugural edition of the University of Montana (UM) Enterprise Risk Management (ERM) Newsletter. We are thrilled to launch this platform to share insights, successes, and strategies from our ERM program, which plays a pivotal role in safeguarding our institution's mission and strategic objectives.

In this newsletter, you will dive into ERM and its impact on UM's operations. Each issue will illuminate the initiatives, collaborative endeavors, and best practices that characterize our ERM program. As we journey together, you can anticipate:

- **Spotlights on ERM Initiatives or Emerging Risks:** Discover real-life examples of successful risk management initiatives or gain insights into emerging risks that might impact the university's objectives.

- **Collaborative Efforts and Best Practices:** Explore how cross-functional partnerships are instrumental in mitigating risks and seizing opportunities across the UM affiliation.

- **Training and workshops:** Obtain information about upcoming trainings and workshops.

We invite you to engage, learn, and contribute as we navigate the realm of ERM together. Thank you for joining us on this exciting journey of exploration, growth, and proactive risk management.

Office of Internal Audit and Enterprise Risk - University of Montana

"Enterprise Risk Management is not about eliminating risks; it's about understanding them, making informed decisions, and turning uncertainties into opportunities.

-Unknown

EMERGING RISK SPOTLIGHT

GENERATIVE ARTIFICIAL INTELLIGENCE (AI)

The use of generative AI systems has dramatically increased over the past year. While these tools unlock opportunities to improve operational efficiency, they introduce new risks that should be monitored carefully.

Generative AI: Opportunities and Challenges

Generative Artificial Intelligence (AI) is a cutting-edge technology that enables machines to create original content. Unlike traditional AI that relies on predefined patterns, generative AI uses complex algorithms and vast data sets to autonomously produce innovative outputs. It has applications in creative fields, content generation, language translation, and even assisting in research. However, challenges related to bias, ethics, and control also accompany its potential benefits.

Opportunities

- **Personalized learning** Generative AI tailors educational content to individual students' needs and learning styles, enhancing engagement and comprehension.
- **Process Improvement** Generative AI streamlines processes and boosts efficiency by automating tasks, optimizing workflows, and suggesting data-driven enhancements, driving operational excellence.
- **Research and development** Generative AI accelerates innovation by aiding researchers in generating novel ideas, prototypes, and simulations, fostering creative exploration and problem-solving.

"We brand our offering as 'co-pilot'…. ChatGPT is the very knowledgeable, junior employee that you don't trust."

-Jared Spataro - CVP, Microsoft

Challenges

The risks associated with generative AI are significant and rapidly evolving. These include:

- **Lack of transparency** Generative AI models are unpredictable and not well understood.
- **Accuracy.** Generative AI systems sometimes produce biased, inaccurate, or fabricated answers.
- **Data Privacy.** There are currently no protection assurances regarding confidential information.
- **Cybersecurity and Fraud.** Malicious actors might use generative AI systems for cyber and fraud attacks.

Recommendations for Next Steps

The University of Montana affiliation should consider the following strategies to leverage Generative AI effectively:

- **Generative AI guidelines** to educate the campus about Generative AI's potential risks, limitations, and acceptable uses.
- **Robust data privacy measures** such as anonymization to mitigate the risk of data breaches and unauthorized access.

- **Pilot implementation and experimentation** at the departmental level to identify opportunities where generative AI complements human capabilities effectively.
- **Regular training and upskilling** to equip faculty and staff with the skills needed to work effectively alongside generative AI technologies.
- **Sharing successes and best practices** to foster a culture of sharing within the UM community. Encouraging departments to share their successful AI implementations and lessons learned will help build momentum and inspire others.

Enterprise Risk Management Program Updates

- **Enterprise Risk Management (ERM) Funding**: The University of Montana affiliation received $100k from the University System to address key risks related to emergency preparedness, information technology, and campus security during fiscal year 2024.

- **Fiscal year 2024 ERM cycle** is underway. The Office of Internal Audit and Enterprise Risk will work with ERM Committees and other key stakeholders to update the UM affiliation's risk inventories.

Office of Internal Audit & Enterprise Risk

University Hall 018
p: 406 243 2545
e: anta.coulibaly@mso.umt.edu
https://www.umt.edu/internal-audit/