



CPAs & ADVISORS

ERM CASE STUDY:



Bridges to Prosperity is a nonprofit organization that builds and advocates for rural infrastructure, including trailbridges, in isolated communities around the world. Almost one billion people throughout the world live in communities that lack year-round safe access to healthcare, education, and markets due to impassable rivers. Bridges to Prosperity's trailbridges enable children to attend school, farmers to sell their crops, and community health workers to provide necessary medical care.

Risk Management for Rapid Growth

GRF CPAs & Advisors (GRF) provided the risk management expertise and best practices needed for development of an Enterprise Risk Management (ERM) playbook. More than a compliance requirement, the ERM playbook informs the organization's strategy and decision-making. The living document helped Bridges to Prosperity institutionalize ERM and become a more forward-thinking organization.

Challenge

In 2018, after achieving the milestone of connecting one million people in previously isolated communities, Bridges to Prosperity set ambitious targets to dramatically increase the scale of its programs, including connecting an additional 1.1 million people within five years in Rwanda alone. The Bridges to Prosperity Board of Directors recognized that the rapid expansion of its operations would expose the organization to previously unconsidered risks. It encouraged the management team to develop a robust plan to ensure that the organization could identify, manage, and respond to the risks associated with its new strategy effectively and promptly.

The team was initially concerned that an increased attention to risk would create more bureaucracy and slow down strategy implementation. However, Vice President of Operations, Alex McNeill recognized that understanding, monitoring, and proactively managing risk would give staff the confidence in their plans that they needed to act bolder and faster. He began exploring how Bridges to Prosperity could apply enterprise risk management (ERM), a holistic, organization-wide approach to risk management that identifies threats to core strategic objectives. After several months, McNeill discovered that there are many alternatives within ERM and few implementation resources tailored to nonprofit organizations.

Solution

In early 2020, GRF began working with Bridges to Prosperity to provide the management team with the technical knowledge and support it needed to apply ERM principles in a way that would maximize the benefits of ERM and fit with Bridges to Prosperity's culture and requirements.


“Global pandemic” was not on Bridges to Prosperity's risk register; however, the management team had identified Ebola as a risk to their programs in Rwanda and Uganda. The pandemic risk response plans they had already developed for Ebola enabled the management team to respond quickly to the COVID-19 pandemic to mitigate revenue impact and ensure the safety of expatriate and local staff throughout the world.

With GRF's support, McNeill created an “ERM Playbook” to provide guidance for the Bridges to Prosperity team to use throughout the ERM process. The Playbook included topics such as risk identification and assessment, risk management plan development, risk-related communication within the organization, and roles and responsibilities. At each stage of the process, GRF provided expertise and best practice ideas to help the management team select and gain consensus around its approach.

The ERM Playbook has helped Bridges to Prosperity institutionalize enterprise risk management within the organization, reducing reliance on McNeill as ERM manager and empowering staff to include ERM into their existing processes. As a flexible, living document rather than a policy, the ERM Playbook has helped staff connect theory and practice. It is frequently updated, revised, and enhanced as staff learn how to adapt and customize ERM principles to support the organization's objectives.

Results

Although the COVID-19 pandemic slowed Bridges to Prosperity's ambitious growth plans, the organization has still seen numerous benefits from implementing enterprise risk management. Alex McNeill says the organization has become more forward-thinking, particularly about building a more sustainable revenue portfolio. Staff no longer view risk management as a compliance requirement, but instead use ERM outputs to inform strategy and decision-making.



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Contact



Melissa Musser, CPA, CITP, CISA

Partner and Director, Risk & Advisory Services

mmusser@grfcpa.com

About GRF CPAs & Advisors

Our risk experts work with organizations to provide support for complex decision-making over a wide range of business and financial issues.

Services include Enterprise Risk Management (ERM), third-party risk assessment, internal audit, cybersecurity, privacy, fraud support, compliance consulting, and financial systems optimization. For more information on how our experts can support your organization, visit our website at <https://www.grfcpa.com/accounting-services/advisory-services/>

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