University Risk Management

Oregon State University Board of Trustees
January 28, 2016
Educational Session
University Risk Management

Goals:

• To identify top risks that might affect OSU
• To ensure that proper and sufficient mitigation strategies are in place
• To ensure that key risk management objectives are achieved
Creating a Risk Management Culture

Managing risk is everyone’s responsibility and everyone needs to feel empowered to act:

• Board of Trustees
• Executive leadership
• Departmental management
• Central OSU business offices
• Faculty and staff
• Students
Process for Developing Top Enterprise Risks

1. Information gathering
2. Risk identification, analysis and engagement
3. Remediation and monitoring
Information Gathering

- Understand objectives/strategic plan
- Evaluate industry and contemporary environment
- Understand the OSU environment
- Evaluate prior OSU experiences
Understand Objectives by Examining Strategic Plans and Goals

Strategic Plan Phase III 2014-2018

Strategic Plan 3.0 2014-18 - Focus on Excellence

Dear Colleagues:

We are pleased to share with you the third phase of Oregon State University’s Strategic Plan – Focus on Excellence, 2014-18 – and to provide a few introductory comments.

In February 2004, we launched the first phase of our strategic plan. It was the University’s first comprehensive strategic plan, and we committed to using the plan to guide the University in its aspiration to be among the top land-grant universities in the nation. April 2009 brought the second phase of the plan and a tremendous sense of momentum as we continued to climb the excellence ladder. The transformation of the University that we experienced during the first two phases of the strategic plan is something exceptional in which we hope you share a sense of pride.

OSU has advanced in all areas, from number and diversity of students and faculty, to fundraising, research and discovery dollars, partnerships and physical infrastructure. Our growth is not without direction or purpose – our success is a credit to our shared commitment to focus on student and faculty success and on preeminence in areas of distinction, while substantially diversifying and increasing revenue sources. With rapid growth comes growing pains, and you have our deep gratitude and admiration for your dedication and perseverance during these past several years.

In the third phase of the plan, we have affirmed our commitment to our mission, vision and three strategic goals:

1. Provide a transformative educational experience for all learners;
2. Demonstrate leadership in research, scholarship and creativity while enhancing preeminence in the three signature areas of distinction: Advancing the Science of Sustainable Earth Ecosystems, Improving Human Health and Wellness and Promoting Economic Growth and Social Progress and
3. Strengthen impact and reach throughout Oregon and beyond.
## Evaluating Industry and Contemporary Environment

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Understand the OSU Environment

Know the people, services, tools, and facilities/infrastructure of the nine major functional components of the university:

1. Governance
2. Instruction
3. Student Services
4. Fiscal and Asset Management
5. Facilities and Operation
6. Auxiliary Operations and Athletics
7. Information Systems
8. Human Resources
9. Research
Understand the OSU Environment

Examine ongoing efforts
- Compliance Executive Committee
- President’s Cabinet, Provost’s Council
- Board of Trustees
- Operational plans

Examine prior unforeseen experiences and reactions
- Governance changes
- Federal agency focal points
Risk Identification

1. What risks will prevent OSU from meeting objectives if not addressed? Analyze with key stakeholder involvement:
   • Strategic risks
   • Financial risks
   • Operational risks
   • Compliance/Safety risks
   • Reputational risks

2. Analyze in relation to probability, impact, goals

3. Rank issues
Risk Identification

Chief Compliance Officer

Fifty-two meetings with program directors from all areas of campus and OSU-Cascades (transportation, counseling, emergency preparedness, student life, alumni relations, veterinary medicine, public safety, IT, procurement, facilities, biological safety, export controls, etc.).

Chief Audit Executive

Meetings with 12 deans, E&A committee members, General Counsel, various program directors, and executive-level OSU administrators. Targeted risk-identification discussions with the OSU administrators are in addition to regularly-scheduled monthly and quarterly meetings.

Regulatory risks identified by compliance office
The University’s Top Risks
Risks Related to Strategy and Finances
Current Top Risk Mitigation Areas

**Risk Topic:** Student preparedness, success, and inclusion programs

**Events OSU Strives to Prevent:** Inability to serve changing demographic base of students, negatively impacting access and student success goals

**Risk Owner:** Sabah Randhawa, Provost and Executive Vice President; Susana Rivera-Mills, Vice Provost/Dean, Undergraduate Studies; and Susie Brubaker-Cole, Vice Provost, Student Affairs

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**Risk Topic:** Research space needs

**Events OSU Strives to Prevent:** Inadequate lab and research space to attract and retain top research faculty, leading to a reduction of grant awards. Impaired ability to attract and retain undergraduate and graduate students. Limited student experiential learning experiences.

**Risk Owner:** Cynthia Sagers, Vice President, Research
Current Top Risk Mitigation Areas

**Risk Topic:** Financial aid funding needs

**Events OSU Strives to Prevent:** Inability to retain and attract high-achieving students and serve need-based students, reducing enrollment and access

**Risk Owners:** Sabah Randhawa, Provost and Executive Vice President; and Kate Peterson, Associate Provost, Enrollment Management
Risks Related to Operations, Compliance and Reputation
Current Top Risk Mitigation Areas

**Risk Topic:** All hazard planning

**Events OSU Strives to Prevent:** Active shooter, illness, earthquake, inclement weather events

**Risk Owner:** Ron Adams, Interim Vice President, Administration

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**Risk Topic:** Information technology security

**Events OSU Strives to Prevent:** Loss of research and operational or student data, as well as network services, leading to a disruption of service, financial loss, or negative perceptions of operational controls.

**Risk Owner:** Lois Brooks, Vice Provost, Information Services
Current Top Risk Mitigation Areas

**Risk Topic:** Lab safety

**Events OSU Strives to Prevent:** Lack of uniform lab safety training, improper disposal and storage of supplies and waste, ineffective safety measures, and violation of state and federal environmental laws leading to penalties and unsafe environment

**Risk Owner:** Ron Adams, Interim Vice President, Administration

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**Risk Topic:** Critical training for employees

**Events OSU Strives to Prevent:** Lack of education to prevent employee discrimination, harassment, and poor management practices

**Risk Owner:** Mike Green, Interim Vice President, Finance; and Clay Simmons, Chief Compliance Officer and Interim Executive Director, Office of Equal Opportunity and Access
Current Top Risk Mitigation Areas

**Risk Topic:** Title IX gender-based violence education, prevention, and response

**Events OSU Strives to Prevent:** Inadequate protection from and prevention of acts of gender-based violence

**Risk Owner:** Clay Simmons, Chief Compliance Officer and Interim Executive Director, Office of Equal Opportunity and Access; and Susie Brubaker-Cole, Vice Provost, Student Affairs
Remediation and Monitoring

1. What risk mitigation activities should be monitored?
2. Board support of remediation efforts
Remediation and Monitoring

What risks should be monitored?

Proposed next steps of the Executive & Audit Committee (EAC):

- Confirm risk areas that would benefit from Board support
- Work with the Board chair and secretary in assigning to the committees
- Coordination with committee chairs to evaluate how risks correlate with existing committee work plans
Remediation and Monitoring

Board support of remediation efforts

Possible next steps of committees assigned risks:

- Request further evaluation of the risks, which may include a presentation from the risk owner noting risk mitigation plans in place and current initiatives
- Discuss whether risk mitigation is adequate or additional remediation plans are needed
- Provide periodic EAC updates to monitor remediation plan effectiveness
QUESTIONS?