

Enterprise Risk Management

BACKGROUND

The Oregon State University (OSU) enterprise risk management (ERM) program is a process the university uses to identify and support the mitigation of major risks that may impact the university's ability to meet its mission and objectives. OSU's ERM model, as approved by the Executive & Audit Committee (EAC), is coordinated by the Office of Audit, Risk and Compliance. It includes three phases:

- **Information gathering:** Review of the university's strategic plans and goals; scanning of the higher education landscape, including federal and state agency activity; examination of university risk topics and plans; and re-examination of the university environment, including people, services, tools and facilities/infrastructure employed to accomplish its mission. This phase is led by the chief audit, risk and compliance executive with the engagement of university leadership, including the university cabinet and members of the provost's senior leadership team.
- **Risk identification:** Assessment of the operational, compliance, safety, financial, reputational, and strategic risks that could impede the university from meeting its mission and objectives if not addressed. The top identified risks are selected and agreed upon by the president, provost and EAC members.
- **Remediation and monitoring:** Remediation and monitoring of programs under the top identified risks, following plans created by the risk owner(s). Progress reports are presented annually to Board committees, as assigned by the EAC, based on charter responsibilities.

As adopted by the Board, OSU tracked six *enterprise risks* in 2022:

1. Information technology (IT) ecosystem and security
2. Hazard planning and business recovery
3. Talent management
4. Interpersonal violence prevention, support and response
5. Workplace safety
6. Research infrastructure needs

The university made significant progress over the last year in addressing these enterprise risks. The January presentation will provide an overview of the progress made in the past five years. Some highlights of the 2022 reported initiatives include:

- **IT Ecosystem/Security** – Continued to improve the university's IT ecosystem and security through the expansion of cybersecurity tools, practices and systems. The IT security program continued to expand its outreach across the university with specific efforts to engage senior leaders and students. University Information and Technology also engaged the campus in the implementation of the IT strategic roadmap that outlines critical paths to improve the OSU data infrastructure. Enabling leaders to access data more easily through improved identity and smart access protocols will lead to improved

strategic decision-making. Planning is underway for a large-scale administrative modernization project that will dramatically improve OSU's business processes and digital ecosystem.

- **Hazard Planning and Business Recovery** – Continued to implement and refine university-wide understanding of emergency operating plans for varied incidences that can occur. Distribution of university-wide communications and education of building managers and incident management teams took place. In addition, the role and practices of the immediate response group (IRG) in relation to emergency management were delineated.
- **Talent Management** – Built upon the established talent management model by developing an OSU managerial competency framework, created an online learning library for all employees and continued with the implementation of the employee performance management project, expanded the employee assistance program with a personal concierge service and other employee well-being workshops and tools that continue to foster a culture of care within the OSU community.
- **Interpersonal Violence Education, Prevention, Support and Response** – Continued: development of the new Center for Advocacy, Prevention & Education ([CAPE](#)), which joined the advocacy, prevention, and community engagement teams in the Division of Student Affairs under a single umbrella; the implementation of [OSU Assist](#) to provide after-hours crisis response and confidential advocacy; and the development of norms and practices to ensure alignment of the stakeholder and advisory teams that represent the constituent parts of OSU's model of [Networked University & Community Services](#). Guiding the effort are commitments to continuously evaluating and reshaping university culture to focus on equity, inclusion, civility and respect; providing training and education that engage the full university in preventing violence; responding to incidents through an effective sexual misconduct program that provides for due process and thorough investigation and remedy; and empowering all members of the OSU community to become allies in creating a nonviolent and civil university community.
- **Workplace Safety** – Created a workplace safety culture task force in alignment with national higher education best practices and implemented an enhanced safety information management system that will improve office operations and campus assessments. Continued to enhance training programs and successfully passed an Oregon Department of Environmental Quality inspection with zero violations.
- **Research Infrastructure Needs** – Support functions in the Research Office have been better staffed and improved. In addition, the capital improvement program has led to significant improvements in research spaces in buildings like Cordley Hall and Fairbanks Hall. The Jen-Hsun and Lori Huang Collaborative Innovation Complex, currently being designed, will harness one of the nation's most powerful supercomputers and support team-based interdisciplinary research in artificial intelligence, materials science and robotics, and bring together students, faculty, staff and partners to help solve the world's greatest challenges. The center also will help advance Oregon's valued semiconductor industry and economy. The Patricia Valian Reser Center for the Creative Arts will support arts programming and research and creative work at the intersection of arts,

sciences and engineering. Numerous other significant capital renovation projects are underway with multiple colleges.

DETERMINATION OF 2023 ENTERPRISE RISKS

In fall 2022, as part of the annual ERM planning process, the chief audit, risk and compliance executive worked with senior management and the EAC members to review and assess the existing six enterprise risks for continued relevance as well as identify any additional risks.

Continuing enterprise risks and adjustments for 2023. OSU's 2022 enterprise risks have been consistently identified by the Board for focus over the past five to six years. Significant progress has been made in their mitigation, and the consensus among EAC members and university leadership is that they be adjusted based on the maturity of mitigation strategies, shifts in the nature of the risks over time and emerging risks. The proposed adjustments are summarized in Attachment A. The result for 2023, if adopted, is four recommended enterprise risks that would be tracked through updates to the Board.

Other identified risks. During the latest risk identification process, several risk areas were highlighted that already have assigned responsibilities, oversight, and mitigation strategies in place as directed by the president and with board oversight. Therefore, such areas do not need to be classified as enterprise risks and tracked independently through the ERM process. These are summarized in the table below.

Risk Topic	Risk Owner	Oversight
Higher education changing landscape – OSU must innovate to meet learner/consumer demand and increased enrollment competition	Provost	Board
Student success, including mental health	Provost	Board & ASC
Internationalization – global strategy, including international student enrollment	Provost	ASC
Future revenue pressures – net tuition revenue and government funding trends	Provost and Vice President for Finance & Administration	ASC & FAC
Research administration – administrative support for long-term growth in research, including provision of support for large, complex projects; award support; and compliance on conflicts of interest, foreign influence, and export controls	Vice President for Research	ASC
Diversity, equity, and inclusion- recruitment and retention	Vice President and Chief Diversity Officer	Board

<p>Athletics competitiveness, financial impacts and compliance obligations related to changing collegiate sports model, including name, image and likeness (NIL), pay for play and changes to the National Collegiate Athletic Association (NCAA) and conferences</p>	<p>Vice President and Director of Athletics</p>	<p>Board</p>
---	---	--------------

NEXT STEPS

On January 19, 2023, the Executive & Audit Committee will discuss the 2023 enterprise risks and reporting schedule, as outlined in Attachment A.

**Oregon State University
Enterprise Risk Management
2023 Enterprise Risks**

RISK MITIGATION STRATEGY

OSU will continue to support efforts to reduce the risk profile in the six designated enterprise risks noted in the table below. The risk owners are responsible for approving, leading or assigning, and monitoring risk mitigation strategies, as well as for providing the university community and Board committees with accountability reports on risk mitigation strategies.

PROPOSED ERM TOPIC REVISION

2022 Topic and Risk Owners	Objective	2023 Proposal	Board Committee Progress Report Schedule
<p>Information Technology (IT) Ecosystem/Security <i>(formerly Information Technology Security)</i></p> <p>Risk Owner: Provost</p>	<p>Safeguard IT resources against loss of research, operational or student data; safeguard network services to prevent disruptions of service, financial loss, or negative perceptions of operational controls and maintain compliance with national security laws; effectively implement the strategic IT infrastructure plans.</p>	<p>Keep as an ERM topic for 2023.</p> <p>It is recommended that reports to the committee provide additional information on data governance and IT strategic initiatives.</p>	<p>EAC April 2023</p>
<p>Hazard Planning and Business Recovery <i>(formerly All Hazard Planning)</i></p> <p>Risk Owner: Vice President for Finance and Administration</p>	<p>Ensure effective preparation and recovery plans are in place for hazards such as an active shooter, severe illness, earthquake, or inclement weather events.</p>	<p>Broaden to Campus safety and incorporate ongoing efforts of the department of public safety in creating a safe and welcoming environment.</p>	<p>EAC June 2023</p>

2022 Topic and Risk Owners	Objective	2023 Proposal	Board Committee Progress Report Schedule
<p>Talent management <i>(formerly Critical Training)</i></p> <p>Risk Owners: Provost and Vice President for Finance and Administration</p>	<p>Attract and retain the best talent; reduce attrition in a tight labor market; improve management to support employee retention and reduce claims and litigation.</p>	<p>It is recommended that the talent management topic be narrowed to focus on human resource administration. Business redesign projects are currently underway to streamline practices and improve system data. These improvements are essential for the success of the administrative modernization project.</p>	<p>FAC June 2023</p>
<p>Interpersonal Violence Education, Prevention and Response</p> <p>Risk Owners: President and Provost</p>	<p>Provide effective prevention, outreach, support and response programs that foster a safe environment and support student and employee well-being and success.</p>	<p>Keep as an ERM topic for 2023. Leadership changes in the Office of Equal Opportunity and Access and regulatory changes in 2023 will be two ongoing risk areas for reporting.</p>	<p>ASC October 2023</p>
<p>Workplace Safety <i>(formerly Lab Safety)</i></p> <p>Risk Owners: Provost and Vice President for Finance and Administration</p>	<p>Establish safety measures that prevent: injury and unsafe environments, improper disposal and storage of supplies and waste; and violation of state and federal laws.</p>	<p>Remove topic from ERM list given ongoing efforts. Vice President for Finance and Administration will track progress. Internal audit was conducted and follow-up audits will occur. In addition, Provost to report out results of workplace safety taskforce as part of routine briefings. Lastly, the university's Compliance and Executive Committee, chaired and chaired by the Provost, evaluates compliance risks annually.</p>	<p>None</p>

2022 Topic and Risk Owners	Objective	2023 Proposal	Board Committee Progress Report Schedule
<p>Research Infrastructure Needs</p> <p>Risk Owners: Provost and Vice President for Research</p>	<p>Provide adequate research space and equipment to attract and retain top faculty, leading to increased research productivity, an increase in grant awards, ability to attract and retain undergraduate and graduate students, and increased student experiential learning</p>	<p>Remove topic from ERM listing given ongoing efforts. Annual briefing provided to ASC on research enterprise, significant progress has been made to evaluate research space and strategic renovations to add space. Area is essential to the long-term vitality of OSU and will have action plans outlined in SP 5.0.</p>	<p>None</p>

2023 ERM TOPICS (IF PROPOSED REVISIONS ARE APPROVED)

2023 Topic and Risk Owners	Objective	Board Committee Progress Report Schedule
<p>Information Technology Ecosystem/Security</p> <p>Risk Owner: Provost</p>	<p>Safeguard IT resources against loss of research, operational, and student data; safeguard network services to prevent disruptions of service, financial loss, or negative perceptions of operational controls and maintain compliance with national security laws; effectively implement the strategic IT infrastructure plans and initiatives; ensure effective data governance.</p>	<p>EAC April 2023</p>
<p>Campus Safety</p> <p>Risk Owner: Vice President for Finance and Administration</p>	<p>Support a safe and welcoming environment throughout OSU, through efforts of the department of public safety and partner units and programs; and that preparation and recovery plans are in place for hazards such as an active shooter, severe illness, earthquake, or inclement weather events.</p>	<p>EAC June 2023</p>
<p>Human Resource Administration</p> <p>Risk Owners: Provost and Vice President for Finance and Administration</p>	<p>Ensure effective HR and related business processes to streamline practices and improve system data. This is essential to supporting efforts to attract and retain the best talent; improving retention; and reducing claims and litigation.</p>	<p>FAC June 2023</p>
<p>Interpersonal Violence Education, Prevention, and Response</p> <p>Risk Owners: President and Provost</p>	<p>Provide effective prevention, outreach, support, and response programs that foster a safe environment and support student and employee well-being and success.</p>	<p>ASC October 2023</p>