

Enterprise Risk Management

BACKGROUND

At Oregon State University, we are all responsible and accountable for risk management. The goal of enterprise risk management is to empower units to think proactively about risks and opportunities. The Oregon State University Board of Trustees, Executive & Audit Committee enterprise risk management (ERM) discussion serves to: 1) identify risks that may impact Oregon State University's ability to meet its mission and objectives, and 2) provide support for ongoing efforts that foster the university's success. The ERM model, as approved by the Executive & Audit Committee, includes three phases:

- **Information gathering:** Review the university's strategic plans and goals; scan the higher education landscape, including federal and state agency activity; examine university risk topics and plans; and re-examine 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 members of the provost's leadership team and the university cabinet. The general counsel also plays a key leadership role in identifying industry-wide trends and consulting regarding the university's environment.
- **Risk identification:** Assess 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 confirmed with the president, provost, and Executive & Audit Committee members.
- **Remediation and monitoring:** Create remediation and monitoring programs for the top identified risks.

In winter of 2020/2021, as part of the annual planning process, the chief audit, risk and compliance executive worked with senior management and the Executive & Audit Committee members to review and assess the existing top risks for continued relevance. It was observed that significant strides have been made to reduce the university's risk profile. Some of the 2020 accomplishments included: developing a talent management program for OSU workforce management, strengthening programs to prevent and respond to sexual harassment and violence, strengthening lab safety protocols, implementing a strategy for research space needs, improving protocols to address information security risks and the development of a strategic plan for information technology, and maturing the university's all-hazards emergency response plan.

For 2021, it is proposed that the Board continue to provide oversight for the existing six enterprise risks, with some updates and adjustments to the topics to reflect current needs. Each risk will be assigned to a Board committee in line with committee charters and workload. The committees will receive regular reports from risk owners relative to ongoing and planned mitigation strategies throughout the year.

Other high priority topics were identified in the risk assessments, which are not proposed for Board monitoring, as they already have existing mitigation strategies, assigned responsibilities, and oversight in place. These topics also remain the same from last year, although the specific

areas of emphasis for each area may have been adjusted as a result of the pandemic. These topics include:

- Diversity and inclusion
- Internationalization
- Enrollment management
- Student mental health
- Economic uncertainty
- Budget management challenges
- Athletics competitiveness and fiscal stability
- Research compliance
- Research diversification

NEXT STEPS

At the April 1, 2021 Executive & Audit Committee meeting, the committee will discuss the 2021 risks and reporting schedule, as outlined in Attachment 1.

**Oregon State University
Enterprise Risk Management
2021 Topics**

Risk Mitigation Strategy

Oregon State University will continue to support efforts to reduce the risk profile in the six university-wide topics noted in the table below. The risk owners are responsible for approving and monitoring risk mitigation strategies. The risk owners will also lead efforts to provide the university community and Board committees with accountability reports on risk mitigation strategies.

2021 Topic and Risk Owners	Objective	Board Committee Progress Report Schedule
<p>Sexual harassment and violence education, prevention and response</p> <p>Interpersonal violence prevention, support and response</p> <p>Risk Owner - President</p>	<p>Provide effective prevention, outreach and training programs; and respond to incidents in a timely, compliant and effective manner.</p>	<p>ASC</p> <p>January 2021</p>
<p>Hazard planning- Business recovery</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>EAC</p> <p>May 2021</p>
<p>Talent management</p> <p>Risk Owners - Provost and Vice President for Finance and Administration</p>	<p>Attract and retain the best talent and minimize the risks of poor management, including management behavior that leads to claims and litigation.</p>	<p>ASC</p> <p>May 2021</p>

2021 Topic and Risk Owners	Objective	Board Committee Progress Report Schedule
<p>Workplace safety</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>ASC</p> <p>October 2021</p>
<p>Research Infrastructure needs</p> <p>Risk Owners - Provost and Vice President for Research</p>	<p>Provide adequate research space, equipment, and compliance support to attract and retain top research faculty -- leading to an increase in grant awards, ability to attract and retain undergraduate and graduate students, and increase student experiential learning.</p>	<p>FAC</p> <p>May 2021</p>
<p>Information technology ecosystem/security</p> <p>Risk Owner - Provost</p>	<p>Safeguard IT resources against loss of research, operational or student data.</p> <p>Safeguard network services to prevent disruptions of service, financial loss or negative perceptions of operational controls; and maintain compliance with national security laws.</p>	<p>EAC</p> <p>April 2021</p>